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WTO Authorizes Over \$1 Billion in Sanctions Unless U.S. Guts Popular Country-of-Origin Meat Labels, Disproving Obama Claim That Trade Pacts Can't Undermine Public Interest Policies

Ruling Further Complicates Prospect for Controversial Trans-Pacific Partnership

WASHINGTON, D.C. — Today's World Trade Organization (WTO) ruling against the U.S. country-of-origin meat labels (COOL) that consumers rely on to make informed choices about their food provides a glaring example of how trade agreements can undermine U.S. public interest policies, Public Citizen said today. How the Obama administration responds to the WTO ruling will have a significant impact on its efforts to build congressional and public support for the controversial Trans-Pacific Partnership (TPP).

In his May 2015 speech at Nike headquarters, President Barack Obama said that critics' warnings that the TPP could "undermine American regulation – food safety, worker safety, even financial regulations" was "just not true." He said: "They're making this stuff up. No trade agreement is going to force us to change our laws."

"Today's ruling makes clear that trade agreements can – and do – threaten even the most favored U.S. consumer protections," said Lori Wallach, director of Public Citizen's Global Trade Watch. "We hope that President Obama stands by his claim that 'no trade agreement is going to force us to change our laws,' but in fact rolling back U.S. consumer and environmental safeguards has been exactly what past presidents have done after previous retrograde trade pact rulings."

In response to previous WTO rulings, the United States has rolled back U.S. Clean Air Act regulations on gasoline cleanliness rules successfully challenged by Venezuela and Mexico and Endangered Species Act rules relating to shrimping techniques that kill sea turtles after a successful challenge by Malaysia and other nations. The U.S. also altered auto fuel efficiency (Corporate Average Fuel Economy) standards that were successfully challenged by the European Union. After the final WTO ruling against the policy in May, Obama's Agriculture Secretary Tom Vilsack also contradicted Obama's claim, announcing: "Congress has got to fix this problem. They either have to repeal or modify and amend it."

COOL requires meat sold in the United States to be labeled to inform consumers about the country in which animals were born, raised and slaughtered. COOL is [supported by 92 percent of Americans](#), according to a recent poll, but has been under attack by Mexican and Canadian livestock producers and the U.S. meat processing industry.

The Canadian and Mexican governments challenged the policy and in 2011 won an initial WTO ruling. In 2013, the Obama administration altered COOL to remedy the WTO violations. The new rules provided consumers more information. Mexico and Canada had sought to weaken COOL and obtained a WTO ruling against the new policy. Today, the WTO authorized those nations to impose over \$1 billion in trade sanctions annually against the United States until it weakens or ends COOL.

Past administrations have repealed or weakened U.S. policies to comply with trade agreements. Today's ruling comes two weeks after the [WTO ruled](#) that U.S. "dolphin-safe" tuna labeling, which allows consumers to choose tuna caught without dolphin-killing fishing practices, was a "technical barrier to trade" that must be eliminated or weakened.

The WTO's ruling comes at an inopportune time for the Obama administration, as it attempts to sell the recently completed TPP. The recent release of the final TPP text reveals that it would impose limits on food safety that extend beyond the WTO rules. This includes requirements that the United States permit food imports from exporting countries that claim their safety regimes are "equivalent" to our own, even if doing so violates key principles of U.S. food safety policy. These rules effectively would outsource the inspection of food consumed by Americans to other countries. The TPP also would allow new challenges of food safety border inspections.

Background: Congress enacted mandatory country-of-origin labeling for meat in the 2008 farm bill. This occurred after 50 years of U.S. government experimentation with voluntary labeling and efforts by U.S. consumer groups to institute a mandatory program.

Canada and Mexico claimed that the program violated WTO limits on what sorts of product-related "technical regulations" WTO signatory countries are permitted to enact. In November 2011, the WTO issued an initial ruling against COOL. Canada and Mexico demanded that the United States drop its mandatory labels and return to a voluntary program that would not provide U.S. consumers the same level of information as the current labels. The United States appealed.

In [June 2012](#), the WTO Appellate Body affirmed that COOL violated WTO rules. In response, the U.S. government altered the policy. However, instead of watering down the popular program as Mexico and Canada sought, [the U.S. Department of Agriculture's new May 2013 rule](#) strengthened the labeling regime. By providing more information to consumers, the new rule remedied the violations cited in the WTO ruling. Mexico and Canada then challenged the new U.S. policy. In May 2015, the WTO ruled that the new U.S. policy still violated WTO rules. Mexico and Canada initiated a WTO process to determine the level of trade sanctions that they could impose on the United States until it eliminated or weakened COOL.

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