

Summary of Members of Congress, Consumer Groups Press Call

Obama Trade Pack Claims Demolished by Monday's WTO Order to Gut Food Labels, Canadian Trade Claims Against U.S. Financial Laws, Unsafe Truck Access under NAFTA Order

Speakers:

Senator Jon Tester (MT)

Congresswoman Rosa DeLauro (CT)

Congressman Peter DeFazio (OR)

Jean Halloran, Director of Food Policy Initiatives, Consumers Union

Debbie Barker, International Program Director, Center for Food Safety

Patrick Woodall, Research Director, Food and Water Watch

Lori Wallach, Director, Public Citizen's Global Trade Watch (moderator)

May 19, 2015

<https://soundcloud.com/global-trade-watch/press-call-on-the-wto-ruling-against-cool-may-2015>

Yesterday's final WTO ruling ordering the U.S. to eliminate or alter another popular consumer policy – the country of origin labels for the meat that we all rely in the grocery store – could not have come at a more inconvenient time for President Barack Obama's efforts to obtain Fast Track for the controversial Trans-Pacific Partnership (TPP). In addition to TPP's offshore incentives and downward pressure on U.S. wages, it has been the string of trade pact attacks against U.S. public interest safeguards and the prospect of more such rollbacks were the TPP enacted that is fueling broad opposition to Fast Track.

President Obama dismisses these concerns. For instance at Nike saying: "critics warn that parts of this deal would undermine American regulation – food safety, worker safety, even financial regulations. They're making this stuff up. This is just not true. No trade agreement is going to force us to change our laws."

In fact, the United States dumped its ban on the sale of tuna caught with dolphin-killing nets and rolled back Clean Air Act and Endangered Species regulation and auto fuel efficiency standards after past WTO rulings. With respect to COOL, Secretary Vilsack informed Congress that it would "have to fix it by either repealing COOL or modifying COOL..." In January, the administration opened all U.S. roads to Mexican-domiciled trucks that threaten highway safety and the environment to avoid trade sanctions under NAFTA.

Excerpts from Statements

Senator Jon Tester:

"This is a horrible ruling, and it goes against what this country stands for. It's exactly what's wrong with free trade agreements in this day and age. They're not fair, they're free, and people close their

eyes to all the other things that spin around outside of it that affect our consumers in this country in a negative way.

I am incredibly disappointed with the World Trade Organization rule. As Lori pointed out, I'm a farmer. In fact, I'm the only farmer – because I was born, right, by the way, because I was born lucky – I'm the only farmer who butchers his own meat and brings it to Washington. That might sound kind of funny, but quite frankly, I like to know where my meat came from. And I know exactly where it came from if I do the work.

Not everybody has that ability. In fact, very very very few people have that ability, and that's why we passed Country of Origin Labeling. To let families, to let mothers know where their meat comes from. The World Trade Organization ruling undermines the right of American families to know where their food comes from. This is a pretty basic thing in this country, you know? Where our food comes from is something that we've taken for granted for years and years and years. It only has been with the advent of multinational agricultural corporations that now that has been put into risk.

Now when the consumer goes they can tell where the meat came from. After this ruling – if in fact COOL is done away with – the consumer will go into the market, go to the meat counter, and see a USDA seal, and not know where it came from; not know that it's American beef, Brazilian beef, Argentinian beef, Australian beef or anywhere else. But they will see that USDA seal, and that implies that it's American meat, and it's not.

Look, I've got some great neighbors who raise livestock. They're hardworking folks – maybe some of the most hardworking folks in the world. They need to be able to have this tool for two reasons: number one, to be able to market their product, and for safety. We have fine regulations in this country to be able to determine food safety and the World Trade Organization ruling undermines all of that; undermines the ability to farmers to be able to market and further consolidate in production agriculture. It takes away the ability for mothers and families to be able go to the marketplace and make a decision on what they want to feed their families and their children.

Representative Rosa DeLauro:

“Along with my congressional colleagues, I have been warning for a long time that the proposed Trans-Pacific Partnership would allow foreign countries and corporations to challenge U.S. laws. A proponent of TPP told us that we were spreading, quote, “alarmism.” Recently the administration accused Senator Warren of spouting outlandish, quote, “hypotheticals” and told her she was absolutely wrong. Now we see two of our top trading partners, Mexico and Canada, successfully using very similar provisions in the WTO agreement to take down democratically enacted American country of origin meat labeling laws. And as a result of this ruling, the U.S. will have to weaken country of origin labeling or face large-scale, indefinite trade sanctions.

Agriculture Secretary Tom Vilsack warned earlier this month that if we lost this final ruling, we might have to repeal the law altogether. Well, we have lost alright. COOL was designed to give American consumers essential information about the origin of their food. And with our globalized food system, that knowledge is essential to inform consumer choice. It is one of the pillars of a free market economy. And it gives a sense of security that families go in and purchase a product and know where their food is coming from.

I worked very, very closely with my colleague Colin Peterson at the time. I worked with consumer groups, with other members to be able to have country of origin label placed in that 2008 Farm Bill. And we spent a lot of time and effort to get that accomplished. And now, because of a trade agreement, these important and popular consumer protections will be nullified.

The Trans-Pacific Partnership will contain provisions that are similar to the WTO rules that they used in this country of origin labeling case, if not even worse for domestic laws and regulations. So we should expect similar results. Food and drug safety regulations, food and environmental protections, even the minimum wage all will be open to challenge. Even laws designed to prevent another financial crisis are under threat. Just last week, the Canadian Finance Minister argued publicly that a critical piece of the Dodd-Frank consumer protection reforms violated NAFTA. Michael Barr, formerly President Obama's own Assistant Treasury Secretary for Financial Institutions, has warned that the risk to Dodd-Frank is, and I quote, "is real and meaningful and worth worrying about."

We know that the TPP is built on the same model as NAFTA. The difference is that this time, TPP will not just allow governments to challenge our laws, it will also permit big, multinational corporations to do the same.

The ruling today is bad news for U.S. consumers. Tobacco companies have already used trade agreement provisions to challenge cigarette health labeling requirements in Uruguay and Australia. A Canadian company has challenged FDA drug safety rulings here in the United States. We cannot afford a race to the bottom in consumer protection. We have to get this right. Jobs, wages and public health are at stake. And that's why we have to put a brake on Fast Tracking the Trans-Pacific Partnership agreement. We cannot have trade trumping public health and public safety."

Representative Peter DeFazio:

"The President came to Oregon a couple of weeks ago, and went to Nike – obviously an unbelievably receptive, closed venue audience – and he said "Critics warn that parts of this deal would undermine American regulations. Food safety, worker safety, even financial regulation. They're making this stuff up." He got wild applause after he said that. Unfortunately, the President was incorrect in that statement.

I said "Oh you're right. If we lose a decision in the secret tribunals, we can pay to keep our laws." And that's, I guess, if the President is telling the truth here, that's the head of the pin he's relying upon. They can't make us repeal these things, although you see the quick reaction in Congress. We don't want to pay to maintain Country of Origin Labeling for meat, which is what would be required or high tariffs on U.S. goods. We will simply repeal the law.

Plain and simple here, these agreements are specifically designed to undermine our laws and cause us to repeal them.

And now, President Obama's people are not only embracing regulatory takings, they are giving them new and enhanced legal status with the ISDS. So the mistake that was made inadvertently during the Clinton years is being exploited fully and expanded by the Obama administration, and opening the door to attacks on all of our consumer, labor, environmental and financial regulatory laws. And who knows what else they might go after?"

Jean Halloran, Director of Food Policy Initiatives, Consumers Union:

"Country of origin labeling is strongly supported by the overwhelming majority of consumers who want it for reasons ranging from bacterial contamination worries to liking New Zealand lamb.

Our government responded to consumer concerns in a proper, democratic and legal way. Congress enacted country of origin labeling into law no less than three times. USDA developed regulations. When the WTO alleged that the USDA rules were unfair under their rules, USDA revised the regulations in accordance with those criticisms. The COOL regulations were challenged in the U.S.

courts, and the U.S. courts upheld them. And now we have a situation where a three-judge panel of international trade lawyers can throw the whole thing out – can just tell Congress and the USDA and the U.S. courts and the American people, “Sorry, we get the last word. COOL must go.”

If the U.S. government had signed up to treaties that allow a valid, democratically-created consumer information regulation to be tossed out or else pay a heavy penalty, then there’s something wrong with the structure of those trade agreements. Clearly, consumer protection is at risk.”

Patrick Woodall, Research Director, Food and Water Watch:

“This WTO case is a case study in the attack on common sense labels and U.S. farm and consumer policy generally. Canada and Mexico brought this case before the first label was applied to any steak or pork chop, and they used the WTO process to attack a rule that they didn’t like.

But in the face of this WTO challenge, Congress appears to be unilaterally surrendering in the face of saber-rattling from the Canadian and Mexican trade authorities, and we think this is a terrible, terrible mistake.

In the face of retaliation levels that have never been approved by the WTO, many members of Congress are proposing to repeal a law that is overwhelmingly supported by the American public, overwhelmingly supported by U.S. farmers and ranchers. And this shows the attack, not only on common sense food labels, but also on, kind of, the nature of a food-safety proposal.

This is WTO overreach at its worst. And we urge Congress to reject repealing COOL. And we urge the Obama administration to stand up for this common sense label. And obviously, Fast Track would only make these problems worse. So if we’re going to Fast Track more trade deals, it puts more U.S. protections for consumers and farmers on the chopping block.”