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Contact: Arden Manning (202) 454-5108

WTO Rules Against Yet Another U.S. Consumer Protection Policy

Final WTO Appeal Ruling Goes Against U.S. Country-of-Origin Meat Labeling Law that Applies to Domestic and Imported Meat

WASHINGTON, D.C. – The World Trade Organization’s (WTO) final ruling today against a highly popular U.S. consumer policy – the country-of-origin labeling (COOL) for meat found in every grocery store – will only intensify public opposition to trade pacts, such as the Trans-Pacific Partnership (TPP), a nine-nation pact now under negotiation that is slated to include anti-consumer rules similar to those in the WTO, Public Citizen said. Last week, U.S. officials agreed to allow Mexico and Canada to enter TPP negotiations despite failing to obtain a settlement in the WTO meat labeling case.

The WTO appellate ruling released today, which is final and not subject to further appeal, means that Mexico and Canada have succeeded in their WTO attack on the U.S. meat labeling policy. Under WTO rules, Mexico and Canada may soon be able to impose trade sanctions against the United States if it does not water down or eliminate the labels to comply with the WTO ruling. If the law is weakened, American families may not be able to know where their food is coming from, and health regulators may have a harder time tracking food borne bacteria to its point of origin. Public Citizen urged the administration not to weaken the law.

“Today’s ruling makes very clear that these so-called ‘trade’ pacts have little to do with trade between countries, but rather impose outrageous limits on the most basic consumer safety policies on which we all rely,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “The WTO announcing that big agribusiness corporations must be allowed to sell mystery meat here, despite U.S. consumers and Congress demanding these labels, is yet another example of outsourcing our legal system to international commercial bodies that push corporate interests.”

Earlier this month, leaked text from the TPP revealed that the agreement, if completed, would subject U.S. laws to challenges by private business interests before secretive foreign tribunals and authorize the payout of unlimited funds, in compensation to businesses, from the U.S. Treasury.

Today’s decision narrowed the number of specific WTO provisions that the U.S. meat labeling policy was found to violate, but still reaffirmed the previous WTO ruling that the law

must be altered or eliminated. This ruling follows WTO rulings this year against U.S. “dolphin-safe” tuna labels and a U.S. ban on clove-, candy- and cola-flavored cigarettes.

“These three rulings – with the WTO slapping down safe hamburgers, Flipper and children’s smoking prevention policy – make it increasingly clear to the public that the WTO is leading a race to the bottom in consumer protection,” said Todd Tucker, research director of Public Citizen’s Global Trade Watch.

After 50 years of state efforts to institute country-of-origin labeling for meat cuts and products, and federal experimentation with voluntary COOL for meat, Congress passed a mandatory COOL program as part of the 2008 farm bill. In their successful WTO challenge, Mexico and Canada argued that the mandatory program violated the limits that the WTO sets on what sorts of product-related “technical regulations” WTO signatory countries are permitted to apply. In their filings to the WTO, Canada and Mexico suggested that the U.S. should drop its mandatory labels in favor of a return to voluntary COOL or to standards suggested by the Codex Alimentarius, an international food standards body in which numerous international food companies play a central role. Neither option would ensure that U.S. consumers are guaranteed the same level of information as the current U.S. labels. In an initial ruling in November 2011, the WTO sided with Mexico and Canada against the U.S. law, but the U.S. appealed the decision in January of this year.

The Obama administration is in the process of negotiating the secretive TPP trade deal, an expansive deal that expands on the North American Free Trade Agreement (NAFTA), which currently includes 11 Asian and Western Hemisphere countries. The pact is expected to include limits on domestic consumer safety and labeling policy.

“The only thing worse than NAFTA-on-steroids with any old country is NAFTA-on-steroids with NAFTA countries,” said Wallach. “What’s worse, the administration appears to have abandoned its leverage and greenlit Mexico and Canada joining the TPP *without* an agreement to drop their WTO attack on consumer labels. The American public is desperately waiting for President Barack Obama to show some negotiating savvy, and to start fulfilling his campaign pledges and reconsider the so-called ‘trade’ model that his administration is pushing with the TPP.”

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