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**Comments by the National Oilseed Processors Association (NOPA) on the
Transatlantic Trade and Investment Partnership (TTIP)
Docket No. USTR-2013-0019
May 8, 2013**

The comments below are in response to the request for public comments on the Transatlantic Trade and Investment Partnership (TTIP) notified in the *Federal Register*, Vol. 78, No. 62, page 19566, on Monday, April 1, 2013.

For the record, the National Oilseed Processors Association (NOPA) represents the U.S. soybean, canola, flaxseed, sunflower seed and safflower seed processing industries. NOPA's mission is to assist the domestic oilseed processing industries to be the most competitive and efficient in the world by utilizing the combined expertise, knowledge and resources of its members to foster market- and science-based policies.

NOPA favors a market-based trading environment that encourages the efficient production of an abundant, safe and high-quality supply of oilseeds and oilseeds products for domestic and world consumers of food, feed-ingredients and renewable fuels. NOPA's 12 member companies crush approximately 95% of all soybean processing in the United States. NOPA member companies process more than 1.6 billion bushels of soybeans annually at 57 plants located throughout the country.

NOPA has a longstanding tradition of vigorously supporting multilateral, regional and bilateral trade agreements aimed at liberalizing trade and expanding market access based on legitimate and open competition. We therefore strongly support the Transatlantic Trade and Investment Partnership negotiations and will support an eventual agreement that is comprehensive both in terms of product coverage and trade measures that affect U.S.-EU bilateral trade in agricultural products.

Given the continuing unsettled global economic situation and the disappointing state-of-play in the World Trade Organization Doha negotiations, it is extremely important to conclude bilateral and regional negotiations such as the TTIP and the TransPacific Partnership (TPP) that can expand trade and create jobs, while helping to maintain momentum toward freer and more open global trade. In recent years, many of our competitors have entered into more such trade agreements than has the U.S. The TTIP and the TPP, if held to the high standards envisioned by the Administration, will better position the U.S. to compete on world markets and allow the U.S. to reestablish itself as the leader in global trade liberalization.

Through this negotiation, the United States and the European Union will have the opportunity not only to expand trade and investment across the Atlantic, but also to contribute to the development of global rules that can strengthen the multilateral trading system. This transatlantic economic relationship is already the world's largest, accounting for half of global economic output and nearly one trillion dollars in goods and services trade, and supporting millions of jobs on both sides of the Atlantic.

The comments below are preliminary, but should provide the U.S. Trade Representative and other agencies involved in the TTIP negotiations a clear understanding of the issues of concern to NOPA and

our expectations about how they should be addressed. NOPA is working with other elements of the U.S. oilseed industry to develop a comprehensive position paper and will make that available to USTR as soon as it is completed.

It is also important to note that NOPA strongly supports the elimination of tariff and non-tariff measures that impede U.S. exports to the EU in livestock products. Expanded trade in beef, dairy, pork and poultry products would greatly benefit the U.S. oilseed industry, since these sectors represent our important domestic customers. EU barriers to such products are as onerous and unjustifiable as any in our bilateral trade mix.

General

The U.S. soybean industry has developed a set of core principles (consistent with its position on the TPP) that it believes the TTIP must include. NOPA strongly supports these principles. These core principles include:

- **Comprehensive Agreement:** A successful TTIP agreement should cover all elements of trade and investment, including agriculture, goods, services, digital trade and intellectual property, with no product or sub-sector exemptions or exclusions. To exclude sectors would limit the opportunities for American farmers, manufacturers and service providers to reach new markets, grow their businesses and support and create American jobs.
- **Commercially Meaningful Agreement:** A successful TTIP agreement should create significant new market-opening and commercial opportunities for U.S. agriculture, consumer, manufacturing and services sectors and investors by building upon the market-opening commitments from earlier agreements and those recently approved. With respect to goods, the agreement should seek the elimination of all tariffs and non-tariff barriers by a date certain.
- **Promote Regulatory Coherence:** A successful TTIP agreement must facilitate the movement of goods and services throughout the TTIP countries, thereby promoting economic growth, by ensuring that TTIP member countries maintain transparent, effective, enforceable and mutually coherent regulatory systems. Such systems must be both risk- and science-based, and must adhere to international best practices. It is essential to promote the establishment of a science-based regulatory framework that affirms the WTO Sanitary Phytosanitary (SPS) Agreement. We strongly support an SPS Agreement that provides for (1) a mandatory dispute settlement provision, and (2) a “rapid response” mechanism. The agreement must also address agricultural biotechnology regulations as a top priority.

Specific Measures

- **Tariffs:** In general, bound tariffs on oilseeds and fats and oils in the EU are fairly low. However, such duties should be considered for immediate elimination or rapid reduction. EU tariffs on imported animal products are significantly higher than those of the U.S. and should also be considered for immediate elimination or rapid reduction.
- **Non-tariff Barriers (NTB):** NTBs on oilseeds and meat product exports to the EU represent enormous obstacles to entry. These barriers must be “on the table” as top negotiating priorities for the U.S. The U.S. and the EU have very divergent views when it comes to dealing with regulatory

policies as they relate to Sanitary Phytosanitary and other non-tariff barriers. While the US strongly favors the rule of law and science, the EU makes use of its broad interpretation of the “precautionary principle” as a means to restrict trade without scientific justification. Exports of oilseeds and products, and of meat products, have been severely limited by the EU’s divergent interpretation of the precautionary principle its resulting failure to base measures on sound risk assessment and risk management principles.

A partial list of non-tariff measures oilseed and meat issues that must be addressed includes:

- The EU biotech approval process. Although improved since the WTO ruling that, among other things, it was not operated without undue delay as required in the Agreement on the Application of Sanitary and Phytosanitary Measures, it remains too slow and politicized to permit normal planting and marketing decisions in the U.S.
- The EU Renewable Energy Directive (RED), which prohibits the use of U.S. soybeans in the EU biofuels market based on an unsubstantiated and discriminatory determination that U.S. soybeans are not produced in a manner that is considered sustainable by EU standards.
- EU labeling requirements on goods that contain products of agricultural biotechnology. These requirements have the perverse effect of forcing EU food manufactures to avoid U.S. ingredients in order to avoid using the label. Since no evidence has ever been presented that such products are unsafe, the label’s effect is to generate unjustifiable fear of biotechnology.
- A proposed new protein subsidy scheme that is likely contrary to EU obligations under the WTO Uruguay Round Blair House Agreement.
- EU prohibitions on U.S. livestock products based on methods of production that are inconsistent with unjustifiable EU sanitary regulations. These include the ban on products produced with the growth promoter ractopamine, which has been determined to be safe by the CODEX Alimentarius Commission, and the use of antimicrobial treatments in poultry production.

Negotiating Approach

The U.S. has consistently been very ambitious and comprehensive in its approach to negotiating Free Trade Agreements (FTAs). With limited exceptions, the U.S. has put all agriculture products on the negotiating table. The principle of “no exceptions or exclusions” has generally been strongly adhered to during the negotiation of past and present FTAs, including in the ongoing TPP negotiations.

The EU has generally been much more selective as to which agriculture products are included in its FTAs. Its list of exclusions can at times be very long, depending upon the agricultural exporting capabilities of the particular FTA partner. For this reason, we can anticipate that the EU will attempt to exclude a range of “sensitive” agricultural items from the talks – as has been their past practice. NOPA strongly opposes any product exclusions by either side and, as mentioned at the outset of this submission, believes strongly that this Agreement must be comprehensive with respect to both product coverage and tariff and non-tariff trade measures affecting U.S. agricultural exports.

Finally, the Agreement must not be used as a means to adopt new protections against imports. This may seem to be stating the obvious, but the EU is proposing to include in the negotiations its desire to apply geographical indications (GIs) to commonly used names of certain foods, including cheeses and pork products. Geographical indications are generally acceptable and useful, but they must not be extended to products with names in common usage simply as a means to restrict trade from countries other than the EU.

NOPA has a longstanding track record of working vigorously for the elimination of all trade barriers impacting the global trade of agriculture commodities and value-added products in the context of the World Trade Organization and past and present Free Trade Agreements. Once again, we pledge to work closely with the Administration as it seeks to negotiate a Transatlantic Trade and Investment Partnership (TTIP) Agreement that is comprehensive both in terms of product coverage and trade measures that affect U.S.-EU bilateral trade in agricultural products.

Sincerely,

A handwritten signature in black ink that reads "Thomas A. Hammer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thomas A. Hammer
President