



February 3, 2012

Submission: <http://www.regulations.gov>

**Re: U.S. Trade Representative, Request for Comments Concerning U.S.-EU High Level Working Group on Jobs and Growth, 77 Federal Register 1778, January 11, 2012.**

The Grocery Manufacturers Association (GMA) appreciates this opportunity to provide comments on the above referenced public notice regarding the goals, feasibility and implications of the High Level Working Group on Jobs and Growth established by the USTR in cooperation with the EU Trade Commissioner.

The Grocery Manufacturers Association (GMA) represents the world's leading food, beverage and consumer products companies. The association promotes sound public policy, champions initiatives that increase productivity and growth and helps to protect the safety and security of the food supply through scientific excellence. The \$2.1 trillion food, beverage and consumer packaged goods industry employs 14 million workers, and contributes over \$1 trillion in added value to the nation's economy.

GMA is a strong and consistent advocate of free trade between the United States and its trading partners around the world. GMA strongly agrees with the stated objectives of this initiative, that free and fair trade bolsters the economy and creates jobs for its citizens, while producers and consumers benefit from being able to select the from the best available ingredients and products at the most affordable prices.

### **General Comments**

The EU is an important trading partner for the U.S. For consumer oriented agricultural products, such as those manufactured by GMA companies, exports to the EU-27 in 2010 were in excess of \$4 billion, exceeded in magnitude only by Canada, Mexico and Japan. Many GMA companies are multinational companies with establishments in both the U.S. and the EU and/or import products as raw materials from the EU. In this regard, GMA recognizes the critical importance to US/EU trade of enhancing compatibility and coherence in regulatory standards and approaches, reducing and eliminating technical barriers to trade and improving "cooperation on the development of rules and principles on global issues of common concern." GMA strongly supports the goals of this initiative and agrees that if a free trade agreement could be achieved between the U.S. and the EU, it would indeed create jobs and growth on both sides of the Atlantic.

### **Stated Concerns**

GMA agrees that continued bilateral dialogue aimed at “strengthening the economic relationship and developing its full potential” is important. Saying that, GMA has submitted formal comments over many years to the USTR in preparation for the annual National Trade Estimate Report (NTE report) that identifies many EU regulatory measures that are not science based, are inconsistent with international standards and WTO commitments and result in blocking food trade from the U.S. Examples of these include antimicrobial agents in poultry, veterinary drug residues in beef and pork, products derived from biotechnology and, most recently, food colorants. The EU attempts to use international bodies such as Codex Alimentarius and the Organization for Economic Cooperation and Development (OECD) to legitimize its “precautionary principle” approach, to undermine the science base of international standards and to introduce societal and cultural factors into decision making. The EU has also used an overly broad interpretation of geographical indications (GIs) to block access to generic products from the U.S. and other countries. The historical trading relationship with the EU has significantly adversely impacted exports for food and agriculture products from the U.S. and makes GMA skeptical that a “21<sup>st</sup> century agreement” to promote trade could be accomplished.

### **Achieving the Template of the Trans-Pacific Partnership (TPP)**

In November, the nine leaders of the Trans-Pacific Partnership (TPP) announced agreement on the broad outlines of “an ambitious, 21<sup>st</sup> century TPP agreement.” In that statement, the leaders expressed confidence “that this agreement will be a model for ambition for other free trade agreements in the future...” Ambassador Kirk has recently stated that the “TPP is about building the best trade policy for the future.” The Administration has repeatedly stressed that the TPP will be ambitious, groundbreaking and intended to meet the new challenges of the 21<sup>st</sup> century.

Trade policy staff and industry have taken those commitments seriously and GMA and others have worked closely with U.S. and other negotiators towards accomplishing these goals. We are excited about the potential to create a 21<sup>st</sup> century agreement that results in comprehensive liberalization, enhances intellectual property rights, builds regulatory coherence and cooperation and boosts transparency and science in food safety measures. We applaud the vision and dedication of the interagency team in their efforts to meet those goals. We look to the TPP as the template upon which to negotiate all future agreements.

Very recently, GMA submitted comments to USTR related to the entry of new trading partners, Canada, Mexico and Japan. In those comment GMA stated strong support for expanding the agreement to include Canada, Mexico and Japan “as long as they can satisfy the conditions stated by the partners” and as long as their entry does not undermine new elements that are under negotiation by the existing partners. GMA specifically called out the importance of text enhancing regulatory coherence, underscoring science and clarifying the appropriate use of geographical indications. A free trade agreement with the European Union must be based on those same principles.

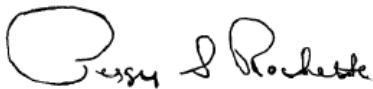
For the U.S. to settle for anything less in an attempt to reach bilateral agreement with the EU would seriously undermine the ability to achieve important commitments within the TPP and would send a very strong and disturbing message to these very important APEC allies.

## **Conclusion**

GMA welcomes the opportunity to provide these comments and agrees with the important goal of identifying policies and measures that can build jobs and growth. GMA also underscores the importance of continuing bilateral dialogue with the EU in an attempt to eliminate trade barriers, build regulatory coherence and create jobs and growth. However, GMA believes that achieving the commitments and goals of the TPP are a first priority. **GMA could not support an EU agreement that would either carve out food and agriculture or would undermine efforts to reinforce science based regulatory commitments.**

GMA looks forward to working with the USTR and the interagency trade policy staff throughout this process and with the new partners in order to achieve meaningful results for the food and consumer products industry.

Sincerely,

A handwritten signature in black ink that reads "Peggy S. Rochette". The signature is written in a cursive style with a large, looped initial "P".

Peggy S. Rochette  
Sr. Director International Affairs