

W O R C

Western Organization of Resource Councils

2401 Montana Ave., #301, Billings, MT 59101

phone: (406) 252-9672 Fax: (406) 252-1092

Email: billings@worc.org web site: www.worc.org

Committee on Ways & Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

Testimony to the House Ways and Means Committee on the Central American Free Trade Agreement held April 21, 2005. Submitted by the Western Organization of Resource Councils (WORC).

WORC is a regional network of seven grassroots community organizations that include 9,500 members and 46 local chapters. WORC helps its member groups succeed by providing training and by coordinating issue work.

In the West, farming and ranching is a way of life. The trade of livestock, sugar and grain fuels rural communities and provides American families with safe, high quality food.

The proposed Central American Free Trade Agreement (CAFTA) would hurt rural America by outsourcing American farmers and ranchers and their way of life. CAFTA would clear the way to import foreign food produced under standards that do not protect the public health, safety and the environment. The import of these cheaply produced, poor quality foods makes it harder for American farmers and ranchers to provide safe, high quality food for our families.

CAFTA would give foreign corporations the ability to challenge local, state, and national laws in closed tribunals that are unaccountable to U.S. law.

CAFTA Chapter 10 contains the same language of the North American Free Trade Agreement (NAFTA) Chapter 11. This chapter includes "investor to state" provisions allowing foreign companies to sue local, state and federal governments over laws protecting the health and safety of your constituents' families. Under this provision, three unelected bureaucrats determine if corporate profits should take precedence over the health and safety of U.S. citizens, preempting the U.S. judicial system. CAFTA would open the way for more investor-to-state cases from six more countries. The U.S. Trade Representative should not be allowed to negotiate trade agreements that undermine your right and ability to enforce the very laws you pass to protect human health and safety.

A recent NAFTA Chapter 11 case directly challenges our ability to protect U.S. food safety and to prevent cattle disease in the U.S. cattle herd. A Canadian cattlemen's organization has sued the U.S. Department of Agriculture (USDA) under NAFTA Chapter 11 provisions. The Canadian group claims they are due payment for loss of profits because of USDA's regulations Canadian cattle imports . This case is being brought even though the USDA regulations are a direct result of mad cow disease in Canada, even though the regulations were put in place to protect the health of U.S. consumers and cattle markets.

U.S. trade agreements should not deny farmers and ranchers access to tools that provide American consumers access to safe, high quality food. Trade agreements must honor local, state and national governments' right to protect the public health and safety of their citizens.

WORC calls on the Senate Finance Committee to enact trade policies that expand markets for American farmers and ranchers while providing consumers with good food choices.

Relaxing import restrictions is unwise until we implement mandatory country-of-origin labeling. Until then, consumers will not have the opportunity to choose food grown and processed in the U.S. over imported food from Central America and the Dominican Republic. Mandatory labeling provides a set of comprehensive standards that ensure all food is labeled consistently, in a way that is easy for the consumer to identify and access. This is also vital for livestock producers who want to differentiate their high quality product from products of other countries. Without implementation of the U.S. mandatory country of origin labeling law for meat and produce, these trade agreements short-change our consumers and our producers.

Congress has a clear choice. You can continue to approve trade agreements that undermine U.S. laws and chip away at rural America, or you can enact trade policies that provide more opportunities for our farmers and ranchers, keep high quality, safe food for our families, and honor laws that protect Americans.

WORC urges the House Ways and Means Committee to choose policies that strengthen rural America by rejecting the Central American Free Trade Agreement. Instead, this country should enact trade policies that expand markets for American farmers and ranchers while providing consumers with good food choices.

Sincerely,

Reed Kelley
WORC Trade Team Chair
P.O. Box 1028
Meeker, CO 81641