Testimony of Barb Determan
On Behalf of the National Pork Producers Council

Before

The Senate Finance Committee

On

Ongoing U.S. Trade Negotiations

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Mr. Chairman and Members of the Committee:

I am Barb Determan, an independent, family pork producer from Early, Iowa. I also grow corn and soybeans on my farm. I am the current President of the National Pork Producers Council (NPPC).

Mr. Chairman, I greatly appreciate everything that you and Senator Grassley and the other members of this Committee have done to advance U.S. agricultural exports. NPPC continues to co-chair the Agriculture Coalition for Trade Promotion Authority. We and our colleagues in U.S. agriculture appreciate the strong vote of this Committee in passing bipartisan TPA legislation. We look forward to a speedy and successful Senate vote on TPA. I also appreciate the tireless efforts of Ambassador Zoellick and our trade negotiators. I strongly believe that the future of the U.S. pork industry, and the future livelihood of my family's operation, depend in large part on further trade agreements and continued trade expansion.

The National Pork Producers Council is a national association representing 44 affiliated states that annually generate approximately $11 billion in farm gate sales. According to a recent Iowa State study conducted by Otto and Lawrence, the U.S. pork industry supports an estimated 600,000 domestic jobs and generates more than $64 billion annually in total economic activity. With 10,988,850 litters being fed out annually, U.S. pork producers consume 1.065 billion bushels of corn valued at $2.558 billion. Feed supplements and additives represent another $2.522 billion of purchased inputs from U.S. suppliers which help support U.S. soybean prices, the U.S. soybean processing industry, local elevators and transportation services based in rural areas.

Pork Producers are Benefiting from the Uruguay Round and the NAFTA

International trade is vital to the future of American agriculture. As the world's biggest exporter of agricultural products we have a critical interest in the development and maintenance of strong and effective rules for international trade. This is especially true for pork, the world's meat of choice, which represents 44 percent of daily meat protein intake in the world. Notwithstanding the huge global market for pork and pork products, efficient U.S. producers were precluded from exporting significant volumes of pork in the pre-Uruguay Round Agreement, pre-NAFTA era. A combination of foreign market trade barriers and highly subsidized competitors effectively limited U.S. pork exports.

The Uruguay Round succeeded in establishing a more effective set of trade rules for the agricultural sector and began the process of reducing trade-distorting subsidies and import barriers. Since 1995, when the Uruguay Round Agreement went into effect, U.S. pork exports to the world have increased by approximately 100 percent in volume terms and 108 percent in value terms from 1994 levels. In 2000 the U.S.

exported a record 568,203 metric tons of pork valued at $1.31 billion. Pork exports from the U.S. to Mexico exploded in 1994 when NAFTA went into effect. Even with the devaluation of the peso U.S. pork increased market share in Mexico -- this never would have happened without NAFTA. Mexico is now the pork industry's second most important market behind Japan.

Pork exports generate wealth and create good paying jobs that contribute significantly to the economic well being of rural America. According to a recent study by two Iowa State University Economists using the FAPRI model, a cessation of U.S. pork exports this year (due for example to an embargo or animal disease outbreak) would cause cash hog prices in 2001 to plummet by $17.80 per head ($6.87 per cwt). Research conducted by the Economic Research Service of the United States Department of Agriculture (ERS) indicates that for each dollar of value-added agricultural exports such as pork, $1.63 in additional U.S. economic activity is generated. Moreover, ERS calculates that every billion dollars in pork exports creates an additional 23,000 new jobs in the U.S. economy.

During the past decade the number of hogs processed in the United States increased from 85 million to 101 million while the pork derived from these hogs increased from 15.4 billion pounds to 19 billion pounds. While not all of this increase is attributable to exports, much of it is. As a consequence of this increased production, more people are employed in the supply and processing industries. This means that packers and processors will operate at higher levels of capacity and/or build new facilities. More U.S. inputs, such as corn and soybeans, and more U.S.-made machinery will be utilized. More packaging supplies are used and more shipping services are consumed. Exports contribute to the well being of rural America through such growth. Given that 96 percent of the world's population resides outside the United States, it is exports that will drive the future growth and viability of the industry.

As benefits to the pork industry from the Uruguay Round and the NAFTA begin to diminish, the importance of additional trade agreements becomes paramount. <u>While U.S. pork producers support bilateral and regional trade initiatives, clearly the most important trade initiative in the offing is a new WTO agreement.</u> This is because global agricultural tariffs average 62 percent, while U.S. agricultural tariffs average only 12 percent. The situation for the U.S. pork industry is worse than the average. Foreign tariffs on pork average close to 100 percent. Even in Japan – our largest export market – U.S. pork exports are severely limited due to a gate price system and safeguards designed to protect Japanese producers. U.S. pork import tariffs, which are zero on many products, are among the lowest in the world. Moreover, the U.S. pork industry – which is not eligible for export subsidies and receives virtually no domestic support -- must compete globally with subsidized pork from the European Union and other countries.

The stage is set for significant multilateral gains in the WTO Negotiations

The Doha Ministerial Declaration provides a firm foundation for a successful negotiation on agriculture. First, it establishes a broad negotiating agenda. It is well established that agriculture is one of the more sensitive areas in international trade. Some of our most important negotiating partners (*e.g.,*the European Union, Japan and South Korea) will be reluctant participants when it comes to agriculture. Only in the context of a large package of agreements and concessions will they be able to accept an ambitious outcome on farm trade. It would have been nearly impossible for the U.S to negotiate successfully on agriculture outside of the context of a broader round.

Second, the new round will be concluded on the basis of a "single undertaking" covering all areas. This "nothing-is-agreed-until-everything-is-agreed" approach was devised to force negotiators to finish their work in the most sensitive areas or risk an overall failure. The approach was essential to the achievement of the Uruguay Round Agreement on Agriculture and the Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures, and we believe it will be equally valuable in the present context. A sector-by-sector approach would not give U.S. negotiators the leverage they need to conclude a successful deal.

Finally, the Doha Declaration establishes an ambitious timeline for negotiations. New modalities for agricultural tariff and subsidy reductions are to be agreed by March 2003. Members must submit draft schedules of commitments, based on those modalities, by November 2003, and the entire negotiation is to be completed by January 1, 2005. While these deadlines are tight, we believe they are realistic. Agriculture negotiators have been at work for nearly two years already. And because the Uruguay Round Agreement provides a negotiating framework, their task is less technically complex than it was in the previous negotiation. All that is needed is political will on the part of the participants. A tight timeline should help apply the necessary pressure.

To meet the deadlines, the negotiations will have to move forward in earnest this year. If the U.S. is to provide the leadership that our agricultural sector has every right to expect, our negotiating partners must know that U.S. leadership is based on and supported by authority from Congress. Trade Promotion Authority legislation is not an option; it is a prerequisite. Without TPA the WTO negotiations will languish and U.S. farm families and workers will not achieve the level playing field they deserve.

Zero-for-Zero Negotiating Objective for Pork in the WTO

As noted above, U.S. pork producers have been a major beneficiary of past trade agreements. However, our ability to reap further benefits is severely hampered by the continued existence of trade-distorting policies. Import barriers remain high in many important markets, and our biggest export competitors continue to use subsidies to capture and maintain market share. The elimination of such unfair trade practices is essential to the future health of the U.S. pork industry.

U.S. pork producers therefore propose that the United States adopt as a primary negotiating objective the total elimination in the shortest possible time frame of all tariffs, all export subsidies and all trade-distorting domestic subsidies for pork and pork products worldwide. In late 1999, Mr. Chairman, you and Senator Grassley originated a bipartisan letter to then U.S. Trade Ambassador, Charlene Barshefsky, endorsing this initiative. Twenty-five other Senators, including many members of this Committee, signed that letter. The pork industries of the Canada and the United States continue to work with their respective governments to gain support for a zero-for-zero initiative on pork in the WTO agriculture negotiations. Recently, the pork producers of Mexico agreed in principle to support this initiative. The Brazilian pork producers are expected to soon endorse the initiative. The United States should use its negotiating leverage to push this objective with our more reluctant trading partners in order to ensure that we are afforded the opportunity to take advantage of our natural competitiveness.

<u>WTO NEGOTIATING OBJECTIVES FOR THE AGRICULTURE SECTOR</u>

I want to make it clear that we in the pork industry do not view our zero for zero initiative in any way as a substitute for a comprehensive negotiation in agriculture. Fundamental liberalization in the pork industry can be most easily achieved in the context of an ambitious overall agreement. Therefore, I will outline our negotiating objectives for the agricultural sector as a whole.

Tariff Reductions Must Be Accelerated

One of the fundamental principles of the Uruguay Round Agreement on Agriculture is the requirement that non-tariff barriers such as quotas, variable levies, and import bans be eliminated and immediately replaced by either a tariff equivalent or a tariff rate quota (TRQ) through the process of "tariffication." The Agreement used a "formula" approach to reduce tariffs. It required tariff reductions of 36 percent on average for developed countries and 24 percent for developing countries over a six-year period on a simple average basis. (Tariff reductions as small as 15 percent were allowed for "sensitive items.") The Agreement also established minimum access levels at 3 percent of domestic consumption gradually expanding to 5 percent thereafter.

Notwithstanding the progress made in the Uruguay Round, tariffs on agricultural products remain very high. <u>The accelerated reduction of tariffs should be the number one U.S. priority in the upcoming trade round</u>. U.S. agricultural tariffs, are dwarfed by the agricultural tariffs of other nations. For some products, tariffs of over 200 percent remain in effect. Agricultural tariffs must be lowered from these high levels on an accelerated basis. A substantial reduction in the highest tariffs would help to end practices such as "price bands" in which high bound tariffs create a cushion that allows lower applied tariffs to be adjusted frequently in order to keep domestic prices within a specified range. <u>Further, a date needs to be set by which all tariffs will be reduced to zero</u>.

The best way to achieve such comprehensive liberalization is through the use of a tariff cutting formula that is applied to every product without exception. There are an infinite number of formulas that could be devised to cut tariffs, the "best" formula obviously depending on the results desired. We prefer an approach like the Swiss formula used in the Tokyo Round negotiations, which resulted in substantially larger cuts in higher tariffs and had the effect of dramatically reducing the disparities in levels of protection. In addition, countries could engage in request/offer negotiations to achieve deeper-than-formula reductions for specific products. <u>This segment of the negotiation would provide the opportunity to pursue the zero-for-zero objective in the pork sector.</u>

Certain groups in the U.S. have suggested that the market access negotiations be conducted on a request/offer basis. They suggest that such an approach would be more flexible and politically manageable because it would allow the U.S. to exempt "sensitive sectors" from the negotiation. We disagree. A request/offer negotiation, or any other tariff cutting approach that allows for product or sectoral exceptions, would run contrary to U.S. trade interests. The U.S. is the worlds largest exporter of agricultural products and is among the most efficient farming countries in the world. Many of the products we export, pork included, are considered "sensitive" by certain major importing countries. If the U.S. takes products from the negotiating table, other countries will be free to do the same. The result would inevitably be a small agricultural market access package.

Moreover, the request/offer would result in a politically-unsustainable clash of interests. U.S. officials would be besieged by commodity groups and companies seeking an exemption from tariff reduction or some other form of special treatment. Inefficient sectors could achieve their aims only at the expense of more efficient and competitive producers. This is directly at odds with the principle of comparative advantage that is the basis for our free market system. On the other hand, export oriented industries could get desired cuts on duties from trading partners only by inducing the U.S. government to offer deep cuts in duties for products with the highest levels of protection. A formula approach avoids this problem by treating all sectors equally. Cuts are agreed multilaterally and applied comprehensively.

Finally, an approach that permits product or policy exemptions would undermine U.S. negotiating leverage. The U.S. was able to achieve much of what we wanted in the Uruguay Round negotiations because we adopted and stuck to a consistent, coherent negotiating position. Countries like Canada, which took inconsistent positions in an effort to protect its domestic supply management regimes, were viewed as being cynical and opportunistic. Their credibility suffered, and they had difficulty attaining their negotiating objectives.

The Administration of Tariff Rate Quotas Must Be Improved

In most instances, creating a TRQ satisfied the minimum access commitment for tariffied agricultural products in the Uruguay Round. Under this mechanism, the quantity of imports within the minimum access commitment is subject to a low duty (the "in-quota" tariff), while imports exceeding that quantity will be assessed the tariff established through tariffication (the "over-quota tariff").

Unfortunately, in some cases, the administration of TRQ's has been used as an instrument to thwart imports. For example, the Philippines tried to close off its market to pork imports by manipulating in various ways the terms governing its pork TRQ. First, the Philippines simply tried to cut back its obligations on pork from 54,210 MT to 6,003 MT. Next, the Philippines threatened to restrict utilization of the TRQ by modifying the TRQ to limit access to 2,000 - 3,000 MT of pork cuts with the balance designated for "chilled pork heads and feet." Then, there was discussion about allocating 90% of the quota to fresh/chilled pork. This would have restricted imports because the distribution infrastructure in the Philippines at the present time can handle only a very limited amount of fresh/chilled pork imports. Next, the Philippines allocated over 80 percent of the TRQ to Philippine hog producers, who had absolutely no interest in importing pork. Further, onerous requirements, such as the posting of 100 percent of the value of the shipment, compromised the participation of other importers. Not surprising, the result was a minimal level of pork imports until the United States threatened to reduce the level of participation by the Philippines in the U.S. Generalized System of Preferences program.

These kinds of problems arise from the lack of clear, specific rules on import licensing and the administration of TRQ's. In the WTO agriculture negotiations, rules on TRQ administration must be clearly delineated. In addition, ceilings must be established for over-quota duty levels.

Export Subsidies Should Be Eliminated

Export subsidies are universally recognized as the most trade-distortive of government policies. Prior to the Uruguay Round, export subsidies for agricultural products were relatively undisciplined. Although earlier rounds of multilateral trade negotiations were successful in disciplining export subsidies for industrial products, only the most basic of these disciplines applied to agriculture. As a result of the Uruguay Round, subsidies on agricultural exports were reduced in both terms of quantity and government expenditures on a product-specific basis.

While significant progress was made in the Uruguay Round, export subsidies remain a major problem for U.S. agriculture. <u>The elimination of all export subsidies should be a top priority for the U.S. in the WTO trade negotiations</u>. Export subsidies transfer market share away from U.S. pork producers, the world's lowest-cost producers of pork, and give it to EU and other less efficient pork producers. Data compiled by USDA shows that during GATT year 1998/1999, the EU subsidized more than 750,000 metric tons of pork exports, a subsidized tonnage that exceeds total U.S. pork exports.

Trade-Distorting Domestic Support Should Be Further Disciplined

The pork industry recognizes the complexities of agricultural politics and acknowledges that farm programs often are designed to meet social as well as economic objectives. Nonetheless, it is essential for the next trade round to accomplish much stricter disciplines on trade-distorting domestic support programs than was possible in the Uruguay Round. The 20 percent reduction in the Aggregate Measure of Support (AMS) achieved in the Uruguay Round did not go far enough. We need to see further significant reductions. Moreover, those reductions should be applied on a commodity-by-commodity basis, rather than a sector-wide basis, as was the case under the Uruguay Round agreement. For pork, all trade-distorting supports should be eliminated, and all tariffs and export subsidies abolished as part of the zero-for-zero initiative.

The Peace Clause Should Not Be Extended

One of the most promising sources of meaningful leverage for the United States is Article 13 of the Uruguay Round Agreement on Agriculture – the so-called Peace Clause. Article 13, which was included in the Agreement at the insistence of the European Union, suspends until January 1, 2004, the application to agricultural products of certain WTO disciplines, the most significant of which are Articles 3, 5 and 6 of the Agreement on Subsidies and Countervailing Measures. With the expiration of Article 13, the EU would immediately be in breech of its obligations under Article 3 of the Subsidies Agreement, which prohibits export subsidies (Article 13(c)(ii)). At the same time, the U.S. would be in a position to begin dispute settlement proceedings under Article 6 against any domestic or export subsidies that are causing serious prejudice to U.S. exports in third-country markets (Article 13(b)(ii)). Obviously, these are powerful disciplines.

The Peace Clause expires automatically. The only way to extend it would be to negotiate a new agreement that includes similar protections. The EU, in particular, will have a strong incentive to achieve such an agreement and will presumably be ready to pay a high price for it. It should be much easier to achieve within three years an agreement that includes a phased elimination of export subsidies and meaningful disciplines on trade-distorting domestic subsidies if the EU is facing, in the absences of such an agreement, the immediate application of even stronger measures.

The United States should do everything possible to take advantage of the leverage offered by the Peace Clause. As a first step, the U.S. should publicly declare its willingness to allow the provision to expire. Then, if negotiations drag on unnecessarily, we should prepare to launch dispute settlement cases against the EU under the Subsidies Agreement on January 1, 2004.

Export Credits Should Be Disciplined in the OECD

Under the Uruguay Round Agreement the United States committed, along with other WTO members, to negotiate disciplines on export credits and credit guarantees in the OECD. Unfortunately, the OECD talks have not yet produced an agreement. Now some countries are talking of developing disciplines in the WTO rather than the OECD.

The OECD has experience in the area of export credits, having administered for many years an agreement on export credits for industrial products. It is the proper place to develop disciplines for credit programs for agricultural products. Despite the fact that the United States is currently the biggest user of such credits, we have a long-run interest in imposing disciplines to guard against future abuses by our trading partners. U.S. officials should redouble their efforts to negotiate an agreement in the OECD as quickly as possible. However, the U.S. must show some flexibility on the export credit issue in order to insure that export subsidies are eliminated.

The U.S. Must be a Reliable Supplier of Agricultural Products

Trade liberalization is not a one-way street. If we expect food importing countries to open their markets to U.S. exports and rely more on world markets to provide the food they need, we should at the same time commit to being reliable suppliers. Current WTO rules permit exporting countries to tax exports whenever they choose (GATT Article XI.1), and to prohibit or otherwise restrict exports to relieve domestic shortages (GATT Articles XI.2(a) and XX(i) and (j)). These provisions should be eliminated in conjunction with the phasing out of import barriers. Such a move would not affect the ability of the United States to impose trade sanctions for reasons of national security; that right would be preserved under GATT Article XXI.

The SPS Agreement Should Not Be Reopened

The Uruguay Round Agreement on Sanitary and Phytosanitary Measures requires import measures intended to protect public health or to control plant and animal disease to be based on science. Enforcement of the strict science-based trading rules established in the SPS Agreement is critical to ensure the continued expansion of U.S. pork exports. One measure of the soundness of the SPS Agreement is the fact that other countries, notably the EU, would like to see the disciplines in the agreement relaxed to allow countries to maintain measures that are not based on science. To avoid this outcome, <u>the pork industry adamantly opposes opening the SPS Agreement for further negotiation.</u>

<u>REGIONAL AND BILATAERAL TRADE INITIATIVES</u>

While pork producers urge the Administration and the Congress to make the WTO trade negotiations the top U.S. trade priority, pork producers also support U.S. efforts to negotiate regional and bilateral trade agreements wherever feasible. The

U.S. pork industry is disadvantaged by the failure of the United States to keep up with the pace of trade agreements in the world. The rapidly expanding Brazilian pork industry -- a key competitor to the U.S. industry -- now has preferential access into many markets to the detriment of U.S. producers. For example, the U.S. pork industry recently obtained access to the Argentine pork market. We are disadvantaged selling into Argentina because of the preferential access that Brazilian pork exports receive by virtue of the MERCOSUR customs Union. Specifically, the U.S. faces duties as high as 34.5% on pork exported to Argentina while Brazil enjoys duty free access on its pork exported to Argentina. Canada, which probably is our most significant competitor in pork, has gained preferential access into Chile through a free trade agreement. Mexico, which has some world class pork operations and counts Japan among its pork export markets, has negotiated close to 30 free trade agreements. The export-competitive Chilean pork industry, which like Mexico counts Japan as one of its export markets, has preferential access into many Western Hemisphere pork markets to the detriment of the U.S. pork industry.

In Europe, the European Union continues to cut trade deals with the countries of Central and Eastern Europe (CEE). In these so-called double zero agreements, the EU and the CEE country typically agree to offer duty free quotas for a specific quantity of a given agricultural product, such as pork, while anything above the quota is subject to duty. Further the EU and the CEE country agree not to use any export subsidies for the given agricultural product. For example, in July 2000, Hungary and the EU signed a double-zero agreement. The agreement calls for reduced tariffs and an end to export subsidies for 72 percent of Hungary's exports of unprocessed agricultural products to the EU and 54 percent of the EU's agricultural exports to Hungary. The agreement established three lists of goods. For the first list, accounting for a third of Hungary's agricultural exports to the EU, all tariffs were abolished. For the second list, tariffs were abolished for exports up to a given quota, provided exports above the quota are not subsidized. This second list includes pork. The duty-free quotas on pork are to increase by 10 percent per year.

The U.S. pork industry is disadvantaged in two ways by these double zero agreements. First, the EU gets better market access in CEE countries for its pork exports. Second, the EU is able to conserve its pork export subsidies for other markets outside Europe where we have to compete with them. Even with a small CEE country such as Estonia, the EU expects to save approximately 3,500 metric tons in pork export subsidies. Total EU shipments of pork to CEE countries are about 220,000 metric tons, an amount equal to about 40 percent of total U.S. pork exports.

Pork Producers Support FTA Negotiations with Japan

Japan is the largest export market for the U.S. pork industry. In 2000, the U.S. pork industry exported a record 210,000 metric tons of pork valued at $754 million to Japan. When the full-year 2001 export data are released they will show that the U.S. pork industry had another record year in Japan. However, through the use of a complicated gate price system with numerous safeguards, Japan's pork market still remains only partially open. The positive economic impact that free trade in pork with Japan would have on the U.S. pork industry is staggering. Thus, Japan is the number one choice of the U.S. pork industry among potential candidates for a bilateral FTA with the United States. We are extremely concerned about the prospects of Japan negotiating FTAs with other pork-producing countries. Pork is the most produced and most consumed meat in the world. There is significant pork production in Korea and the ASEAN countries. Mexico and Canada which, like Korea (before disease outbreak), are large suppliers to the Japanese pork market, have expressed strong interest in a FTA with Japan. Leaving agriculture out of a FTA is a problem – perhaps a violation of WTO rules. Yet, if Japan does negotiate with these countries, the U.S. pork industry could be severely prejudiced if pork is included in any such FTA.

The Chile FTA Will Be a Precedent for Other Trade Agreements

Like most other sectors of U.S. agriculture, the pork industry believes that the FTA with Chile will serve as an important precedent for future trade agreements. A strong agreement with Chile will not only set the tone for future negotiations with other trading partners but it will help to coalesce support for trade among farmers and ranchers throughout the country.

The current applied tariff rate on pork in Chile is 8 percent. Under the U.S. – Chile Free Trade Agreement, all tariffs on U.S. pork and pork products should immediately be zero. There should be no tariff-rate-quotas and no phase-in period for obligations. U.S. exports of pork to Chile would jump significantly if Chilean import tariffs on U.S. pork were reduced to zero.

Unlike virtually all the countries to which the U.S. exports pork, Chile does not accept pork from all USDA-approved facilities. Rather, like the European Union, Chile insists on sending its own inspectors to U.S. pork plants. This practice is completely unacceptable. It operates as a non-tariff barrier to trade. The United States has the most comprehensive and effective system of food safety management in the world. The wholesomeness of the U.S. food supply is second to none in the world. An integral part of the U.S. food safety system is USDA's inspection and certification of U.S. meat producing facilities. Chile must agree to accept pork from any USDA-approved facility. At one point not long ago, China was reluctant to accept pork from all USDA-approved facilities. USTR and USDA persuaded China to change its position, which is memorialized in the Agreement on U.S.-China Agricultural Cooperation. Chile must also be persuaded to change its position. A Free Trade Agreement with Chile should include a provision that requires Chile to accept U.S. pork from any USDA –approved facility. Zero tariffs absent meaningful market access mean nothing.

Pork Producers Support the Negotiation of a U.S. - Central American FTA

The U.S. pork industry supports the negotiation of a Central American Free Trade Agreement as announced on January 16, 2002 by President Bush. The pork industry looks forward to working with the U.S. government to rapidly bring tariffs on pork in the region to zero and to resolve pork trade problems.

The U.S. Pork Industry Currently Can Not Support a FTA with Australia

Australia has a zero tariff on imported pork but has a de facto ban on U.S. pork by virtue of a number of sanitary barriers. Denmark and Canada, our top two global competitors, are shipping pork to Australia. The only difference in porcine health status between the U.S. and Canada and Denmark is that Canada and Denmark are free of Pseudorabies Virus (PRV). The U.S. is on the precipice of eradicating PRV – there are now no known infections in the United States. At any rate, the recently adopted OIE Code chapter on PRV does not include pork in the list of commodities to be considered a risk. The U.S. for years shipped pork to Canada and other PRV-free countries when PRV infection rates were high in the U.S. because there simply is no significant risk of the spread of PRV to domestic livestock from imported meat.