http://finance.senate.gov

For Immediate Release Thursday, Dec. 21, 2006

## Grassley Expresses Concern Over South Korea's Barriers to U.S. Beef Imports

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today expressed concern that South Korea is blocking U.S. beef imports – including an Iowa shipment – for invalid reasons, and contrary to South Korea's commitments through the World Trade Organization. Grassley expressed his concern in a letter to key U.S. officials; the text follows here.

December 21, 2006

The Honorable Mike Johanns Secretary of Agriculture U.S. Department of Agriculture 1400 Independence Avenue, S.W. Washington, D.C. 20250

The Honorable Susan Schwab U.S. Trade Representative 600 17<sup>th</sup> Street, N.W. Washington, D.C. 20508

Dear Secretary Johanns and Ambassador Schwab:

I am writing with regard to South Korea's policies on the importation of U.S. beef. South Korea announced on September 7, 2006, that it was reopening its borders to imports of U.S. boneless beef from cattle under thirty months of age. This announcement came some eight months after the United States and South Korea reached an initial import protocol on beef.

Since the September announcement, three shipments of U.S. beef have been sent to South Korea. None, however, have been cleared to enter the country. In the case of the first two shipments, South Korean officials have contended that, due to the alleged presence of bone fragments, these shipments did not meet the requirements of the January agreement. Yet any interpretation of the agreement that disqualifies entire shipments from entering the South Korean market due to the most minute bone fragments, if these fragments are indeed present, would result in a commercially unviable agreement.

With regard to the third shipment, which originated in Iowa, South Korean officials are reportedly

claiming that periosteum tissue contained in the shipment constitutes bone. Periosteum tissue, however, is not bone. Rather, it is the membrane between bone and muscle. I fail to see how South Korea could block this shipment due to the alleged presence of bone. I find it particularly frustrating that South Korea, by making such a claim, is apparently going out of its way to prevent this Iowa shipment from entering its market.

With South Korea's rejection of all U.S. beef shipments since announcing the reopening of its market in September, I doubt that any other U.S. exporters will attempt to ship beef to South Korea at this time. Thus, the South Korean market in effect remains closed.

As a member of the World Trade Organization (WTO), South Korea is obligated to base its import policies involving food safety on science and is, accordingly, prohibited from banning the importation of food products that do not pose threats to human health. U.S. beef – whether or not it contains periosteum tissue or bone fragments – is clearly safe. After all, U.S. beef is consumed by millions of Americans each day. I request that you remind South Korea of its WTO commitments.

Moreover, the appearance that South Korea is unwilling to come into compliance with its WTO commitments could have major repercussions on the proposed U.S.-South Korea Free Trade Agreement (FTA). I request that you impress strongly upon your South Korean counterparts that, if South Korea does not adopt science-based policies regarding U.S. beef imports, the chances of the Congress passing implementing legislation for a U.S.-South Korea FTA are very low.

Thank you for your attention to this matter, which is of great importance to cattle and beef producers in Iowa and other states.

Sincerely,

Charles E. Grassley Chairman