

The Honorable Susan C. Schwab
United States Trade Representative
Executive Office of the President
Washington, D.C. 20508

Dear Ambassador Schwab:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit the report of the Animal and Animal Products ATAC on the United States-Colombia Trade Promotion Agreement, reflecting consensus on the proposed Agreement.

Sincerely,

John J. Reddington

A handwritten signature in cursive script, reading "John J. Reddington".

Chair
Animal and Animal Products ATAC

The United States-Colombia Trade Promotion Agreement

**Report of the
Animal and Animal Products ATAC**

September 2006

September 14, 2006

Animal and Animal Products ATAC

Advisory Committee Report to the President, the Congress and the United States Trade Representative on the United States-Colombia Trade Promotion Agreement

I. Purpose of the Committee Report

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principle negotiating objectives set forth in the Trade Act of 2002.

The report of the appropriate sectoral or functional committee must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, the Animal and Animal Products ATAC hereby submits the following report.

II. Executive Summary of Committee Report

Please refer to Section V of the report below. In summary, the Animal and Animal Products ATAC is very pleased with this agreement.

III. Brief Description of the Mandate of (Committee)

The advisory committee is authorized by Sections 135 (c) (1) and (2) of the Trade Act of 1974 (Pub. L. No. 93-618), as amended, and is intended to assure that representative elements of the private sector have an opportunity to make known their views to the U.S. Government on trade and trade policy matters. The committee provides a formal mechanism through which the U.S. Government may seek advice and information. The continuance of the committee is in the public interest in connection with the work of the U.S. Department of Agriculture (USDA) and the Office of the U.S. Trade Representative. This advisory committee provides valuable private sector input.

IV. Negotiating Objectives and Priorities of (Committee)

A guiding principle for the Animals and Animal Products ATAC in bilateral, regional and multilateral trade negotiations is to improve export opportunities for U.S. dairy, livestock, meat and poultry products through the elimination of unfair tariff and nontariff trade barriers, including veterinary and sanitary restrictions on imports that are not based on sound science. Related to this is the acceptance of FSIS as the certifying authority for meat and poultry exports.

V. Advisory Committee Opinion on Agreement

The Agricultural Technical Advisory Committee (ATAC) for Trade in Animals and Animal Products provides the following comments on the U.S. - Colombia Trade Promotion Agreement (TPA):

Although Colombia has not been a large market for U.S. dairy, meat and poultry products, exports are expected to grow over time with the advantages achieved by this TPA. This Committee recognizes and commends this TPA as a worthwhile achievement of negotiating other TPAs and FTAs with the Latin American countries. The Colombia FTA is an excellent example of the type of agreement that is in the United States' best interest to pursue – one which expands trading opportunities to the benefit of U.S. agriculture.

We are pleased to see that Colombia has agreed to import all U.S. beef and beef products. U.S. beef is considered safe and the measures taken to ensure that U.S. beef is safe are consistent with the World Organization of American Health (OIE) Terrestrial Animal Health Code on BSE.

Colombia has agreed to immediate duty free access for fresh, chilled or frozen bone-in or boneless high quality beef. There will be no quotas on this type of beef. For standard quality beef - not defined as high quality beef - there will be a TRQ of 2,000 tons, with a 5 percent compound growth per year. Beef imported under the quota will be duty free, while over quota beef will pay 59 % duty upon agreement to be phased out over 10 years. For offals, there is a TRQ of 4,200 tons with a 6 percent compound growth per year. There is a no duty for in quota imports and an out of quota duty of 44 percent to be phased out over 10 years. The beef industry is very pleased with this agreement.

For pork, fresh, chilled and frozen there are no TRQs but duties will begin at 24 percent and have a linear decline over 5 years. For high fat trimmings, ham, shoulders and bellies and bacon fat there is immediate duty free access. For bacon and other pork meat, including processed meats such as sausage the duty will be 24 percent to be phased out over five years. The pork industry is very pleased with this agreement.

For poultry, there is a leg quarter TRQ of 27,040 tons, with a 4 percent growth factor per year, to be phased out over 15 years. Leg quarters imported within the quota are duty free; over quota duties will be 154.4 percent, with the first five years no decline in duties. Breast meat, wings and offals will be given immediate duty free access. The TRQ administration will be handled by an Export Trading Company and the rents will be divided between the importers and exporters.

Although we would have liked to see duties phased out over a quicker time frame, the poultry industry is pleased with this agreement.

For many dairy products, including milk powders and cheeses, new TRQs totaling 9,900 metric tons, with a 10% annual growth rate will expand access for U.S. exports while tariffs are phased out over a period of up to 15 years. For several other dairy products, including most whey products, tariffs will be eliminated immediately. The dairy industry is satisfied with this agreement.

For sheep and sheep products, the industry appreciates the work that went into opening the market for their products.

The Animal and Animal Products ATAC is pleased to see that the price bands on imported goods have been eliminated. We acknowledge, however, that the agreement only assures that the US is offered the best rate available under agreements entered into after February 27, 2006. This provision does disadvantage our industries in comparison with prior trade agreements to which Colombia is a party, but our negotiators did a very good job in addressing a number of other issues in this agreement that will allow us to more effectively compete in Colombia.

As an important final point of concern, we hope to see assurances that the rules of origin and SPS issues addressed in the agreement will be strongly enforced. This is needed in order to ensure that unmonitored SPS issues do not evolve into barriers to trade over time and that no transshipments, in particular, from Colombia's preferential agreement partners benefits from the terms of this TPA. Such assurances are essential in order to ensure that American industries receive the net benefits of this agreement.

We greatly appreciate the hard work that USTR put into this agreement and realize the difficulty of achieving successful outcomes for such a wide variety of agricultural sectors.

VI. Membership of Committee (list of members)

Jaime Castaneda	National Milk Producers Federation
Tom Cook	National Renderers Association, Inc.
Gregory Doud	National Cattleman's Beef Association
Richard Ellinghuysen	Producers Livestock Marketing Association
Richard Fritz	U.S. Meat Export Federation
John Hardin	John Hardin Farms
Dana Hauck	Pike Trail Cattle Co., Inc.
James Hoben	Interra International, Inc.
John Hogan	John Hogan, Attorney
Gregory Ibach	Nebraska Department of Agriculture
John Lincoln	Lincoln Farm and New York Farm Bureau
Thomas May	Trugman-Nash, Inc.
Dennis McDonald	Open Spear Ranch

David Meeker	Federation of Animal Science Societies
Daniel Meyer	American Dairy Products Institute
Toby Moore	USA Poultry and Egg Export Council
Michael Mullins	Cargill, Inc.
James Peterson	Jim Peterson Ranch
John Reddington	American Meat Institute
William Roenigk	National Chicken Council
Donald Schriver	Dairy Farmers of America
Jane Shey	Shey & Associates
Ray Souza	Mel-Delin Dairy
Thomas Suber	U.S. Dairy Export Council
Jeffrey Swain	BC Natural Foods
James Tillison	Alliance of Western Milk Producers
Gene Wiese	Wiese & Sons
Thomas May	Trugman-Nash, Inc.
Dennis Wolff	Pen-Col Farms
Robert Yonkers	National Cheese Institute
Daniel Ochylski	International Composite Systems
Gary Reckrodt	Seaboard Farms Inc
Paul Rodgers	American Sheep Industry Association, Inc.
James Willrett	J. Willrett Farms
Shawna Morris	American Butter Institute