



# Washington Scene

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Early summer in Washington, DC is normally one of the busiest times of the year, as Congress tries to move legislation along before their summer break. This year is no exception. There are a number of important issues working their way through Congress that could affect the US agricultural sector.

Both the House and Senate have passed agricultural appropriations bills. As usual, there are notable differences that will have to be addressed in conference committee. One of these differences is the House provision that would delay mandatory country-of-origin labeling (COOL) for a year. The Senate bill does not have similar language. There is also a significant difference in a \$300 million item for food aid involving USAID.

Congress is again trying to pass an energy bill. Recall that energy bill legislation was one of the initial requests President Bush made to Congress after he was elected. Each of the past few years, Congress failed to pass an energy bill for various reasons. Two of the most controversial bills were related to drilling in the Arctic National Wildlife Refuge (ANWR) and liability protection for US oil interests from litigation over groundwater contamination from the oxygenate MTBE; these remain issues. The size of the renewable fuels standard is also an issue. Currently, the renewable fuels standard requires refiners to use a minimum of two billion gallons of renewable fuels. The Senate bill raises the standard to eight billion gallons by 2012, and the House version increases the standard to five billion gallons. The House of Representatives passed its version of the energy bill in April and is waiting to conference with the Senate.

Attempts to reopen Japan's borders to US beef were making slow progress, but the recent discovery of a second BSE-positive animal will likely halt progress for some time.

## Agriculture Secretary Mike Johanns Announces 2007 Farm Bill Forums

Beginning with the first Farm Bill Forum in Nashville, TN held July 7, 2005, Johanns and other senior USDA officials will participate in Farm Bill Forums to be held across the country in 2005. Dates, locations, and times of the forums will be available on the USDA website at <http://www.usda.gov/farmbill>. The public will be invited to attend the forums and to provide oral comments. As the current farm bill covers a diverse array of program areas, six topics have been identified to provide a framework for the forums. The primary topics addressed at the forums will reflect various concerns affecting rural America, such as commodity, conservation, and rural economic development issues. In addition, some forums will be dedicated to other important programs authorized by the farm bill, such as food assistance, research, and education programs.

Two important agricultural trade issues are currently being debated in Washington. First is the proposed vote to pass (or reject) the US–Central American–Dominican Republic Free Trade Agreement (CAFTA–DR) in Congress. Second is the June 9, 2005, decision by a NAFTA panel to remand the US International Trade Commission's October 2003 determination to impose 14.15% antidumping and countervailing duties on certain US imports of Canadian hard red spring (HRS) wheat.

### CAFTA-DR

The Senate Finance and House Ways and Means Committees approved draft implementing legislation for the CAFTA-DR FTA on June 14 and June 15, 2005, respectively, in informal nonbinding markup sessions. The Senate Finance Committee voted the CAFTA-DR out of committee with one amendment—a proposal to extend Trade Adjustment Assistance to service-sector workers whose jobs would be affected by the agreement. In the House, an amendment was passed that requires the administration to report on labor capacity building and di-

rects the president to report, after one year, the effect of the agreement on the services industry. The committees' approval of the draft legislation opens the way for the president to submit the FTA for final congressional approval. Once submitted, lawmakers will have 90 legislative days to either pass or defeat the agreement on an up-or-down vote procedure. Although it covers all industrial and agricultural products, CAFTA-DR supporters contend that the agreement will enhance US exports of manufactures and agricultural commodities, such as grains, cotton, soybeans, and poultry (Tanner, 2005). The agreement's opponents fear erosion of the US manufacturing base in textiles (Graham, 2005); sugar producers are concerned about the impact of increased in-quota access for CAFTA-DR sugar under the TRQ. The US International Trade Commission (USITC) prepared a report (*US–Central America–Dominican Republic Free Trade Agreement: Potential Economy-wide and Selected Sectoral Effects*), as required by US trade law, for consideration of the impacts of the agreement.

### **NAFTA Panel Remand on Wheat**

**T**here are currently 14.15% US antidumping and countervailing duties imposed on certain US imports of Canadian hard red spring wheat. On October 3, 2003, the USITC determined that such imports were injuring US farmers; on November 24, 2003, the Canadian Wheat Board filed a request for a NAFTA panel review of the USITC's determination of injury of such hard red spring wheat imports; and on June 9, the NAFTA panel remanded the USITC injury determination (Elliot, 2005). The panel granted the US government 90 days until September 6, 2005, to justify its injury decision and requested that the government answer nine questions and come up with a new determination.

### **For More Information**

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