

TESTIMONY OF WARREN MARUYAMA  
JOINT HEARING ON IMPORT SAFETY  
HOUSE WAYS AND MEANS COMMITTEE  
TRADE AND OVERSIGHT SUBCOMMITTEES  
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Chairman Levin, Chairman Lewis, and Members of the Committee, it is a privilege to be here to today to discuss an issue of priority for every American – ensuring the safety of imported foods and consumer goods.

USTR does not have direct regulatory responsibility, but the safety of the American consumer is paramount for us, just like it is for every other U.S. government agency.

Under the World Trade Organization (WTO) rules and our Free Trade Agreements (FTAs), the United States has a right to determine the appropriate level of health and safety protection for any product that is sold in the United States. All of our FTAs allow the United States, on the basis of a science-based assessment of specific risk, to apply appropriate measures to safeguard life and health, so long as our requirements do not arbitrarily discriminate against imports. From the beginning, the General Agreement on Tariffs and Trade (GATT) and WTO have recognized that nothing in trade agreements should prevent parties from adopting legitimate measures to protect human, animal, or plant life or health.

Accordingly, no foreign country can make us accept unsafe products, or force us to lower high U.S. safety standards. We set our safety standards. All imported food products, including meat and poultry, seafood, dairy products, beverages, and fresh and processed fruits and

vegetables must meet the same stringent food safety standards that apply to foods produced in the United States.

And, of course, we have a unilateral right to inspect imported foods at our borders to determine if they are safe. U.S. inspectors review import records, assisted by a computerized statistical sampling system. Products are reviewed based on their probable risk and given special scrutiny based on heightened risk. For example, under the U.S. Food and Drug Administration's (FDA's) recent seafood safety measures, FDA inspected Chinese seafood imports, determined that certain fish and shellfish were being treated with unapproved antibiotics and food additives, and immediately detained imports of these items into the United States until the safety of those products could be assured.

At the same time, there are unprecedented new challenges to ensuring that America's food supply continues to be one of the safest in the world, so that American consumers continue to have full confidence in the foods they eat, the medicines they take, and the toys their children play with.

First, despite progress in the areas of food safety and important advances in pathogen testing technology, recent outbreaks of food-borne illness and the discovery of contaminated food and feed products – involving both imported products from abroad and products grown or manufactured in this country – underscore the vital importance of continuing to improve and adapt our systems, technologies, and strategies to a rapidly changing and growing global economy.

A second challenge is the unprecedented growth in trade flows. Last year, nearly \$2 trillion of imported goods entered the United States. Trade flows continue to grow, and many experts believe that volumes could triple by 2015. The expansion of trade has brought our consumers the benefits of fresh winter vegetables from Latin America, innovative life-saving medical discoveries from Europe and Japan, and low-cost shoes, toys, and apparel from Asia, but the increase also means that there are more imported goods entering our borders. And while 20 years ago, most food and beverage products were imported from Canada or Western Europe, today we import food products from just about every corner of the world. This means that American consumers have access to an unprecedented array of dietary choices, but with this choice has come new challenge to ensuring appropriate adherence to US safety standards in products shipped from 150-plus countries from around the globe.

Finally, America is a major exporter – of beef, pork and poultry, grains and oilseeds, processed foods, medical devices, cars, and a host of other products that are subject to foreign safety requirements. So if we were to move away from science and risk-based regulation, and erect protectionist barriers to trade unchecked by WTO and FTA rules in the guise of consumer safety, U.S. exports would be highly vulnerable to mirror restrictions, and some of our trading partners would be only too happy to oblige.

This is a critically important issue for American agriculture. Overall, U.S. agricultural exports are up from \$50.7 billion in FY 2000 to a projected \$79 billion in FY 2007. The growth in United States agriculture has occurred as a result of both the multilateral 1994 Uruguay Round

Agreement on Agriculture, which created new market access opportunities for American farmers and ranchers and our FTAs. In 2006, U.S. agricultural exports to markets covered by FTAs reached \$26 billion, about 38 percent of total U.S. agricultural exports, compared to just \$255 million, or about one-half of one percent of total U.S. agricultural exports in 1986. Because of NAFTA, Canada and Mexico have emerged as the top two export markets for American agriculture. Moreover, much of the recent growth in U.S. farm exports is coming from emerging markets, while exports to our traditional high-income markets like the European Union and Japan have stagnated. As a result, the share of U.S. farm and food exports destined for emerging markets climbed from 30 percent during the early 1990s to 43 percent in 2006. China and Mexico now account for a quarter of U.S. farm exports, nearly triple their share in 1990. Exports to China alone are now nearly equal to exports to Europe. I don't need to explain to this Subcommittee how easy it is for foreign countries to lock out American farm exports through spurious sanitary and phyto-sanitary measures, just as they have been known to cynically restrict, for example, U.S. manufactured goods through protectionist barriers that are dressed up as legitimate passenger safety or regulatory standards.

At the direction of the President, Health and Human Services Secretary Leavitt is chairing an inter-agency Import Safety Working Group that is engaged in a top-to-bottom review of the U.S. import safety system for food, drugs, devices, and other consumer products. On September 10, 2007, Secretary Leavitt submitted an interim report to the President. The report urges a fundamental shift in strategic emphasis from traditional border-based inspections and interventions to a comprehensive "life cycle" strategy that focuses on identifying and managing risks through every step of the product life cycle – building safety into products from the very

beginning of the supply chain. Such a strategy will require working with foreign producers, US importers, and U.S. retailers to build safety into design, manufacturing, and distribution processes, backed up by government and private sector verifications, certifications, and border inspections. The focus should be on managing risk, using the best of science and technology, and best practices from the private sector, and governments around the world. The Working Group is currently working on a follow-up report that will contain specific recommendations for implementing such an approach and ensuring that the American public continues to have full confidence that our system is one of the safest in the world.

### **Conclusion**

The benefits of international trade are wide-ranging, yet these benefits bring with them new and complex challenges – for government and the private sector; for U.S. and foreign producers, growers, retailers, importers, and consumers; and ultimately for Congress and the Executive Branch. The American public properly has high expectations for the safety of the food they eat and the products they and their children use. The U.S. food supply is one of the safest in the world due to the cooperation and active participation of all stakeholders—farmers, industry, exporters, importers, and consumers—in protecting the entire U.S. food chain. We at USTR look forward to working with you to keep it that way. Thank you for inviting me to testify today on these critical issues.