

**AGRICULTURAL TECHNICAL ADVISORY  
COMMITTEE FOR TRADE IN PROCESSED FOODS**

July 14, 2004

The Honorable Robert B. Zoellick  
United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Dear Ambassador Zoellick:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I hereby transmit the report of the Agricultural Technical Advisory Committee for Trade in Processed Foods on the U.S.-Bahrain Free Trade Agreement. This report reflects the Committee's consensus opinion on the proposed Agreement.

Sincerely,

A handwritten signature in cursive script that reads "Leonard W. Condon".

Chairman

Enclosures

# **The U.S.-Bahrain Free Trade Agreement**

**Report of the  
Agricultural Technical Advisory Committee for Trade in Processed Foods**

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# **AGRICULTURAL TECHNICAL ADVISORY COMMITTEE FOR TRADE IN PROCESSED FOODS**

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## **Report of the Agricultural Technical Advisory Committee on Trade in Processed Foods to the President, the Congress and the United States Trade Representative on the U.S.-Bahrain Free Trade Agreement**

### **I. Purpose of the Committee Report**

On June 15, 2004, President Bush notified Congress that he intends to enter into a free trade agreement with the Government of Bahrain. 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)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to sign 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 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 Agricultural Technical Advisory Committee for Trade in Processed Foods hereby submits the following report:

### **II. Executive Summary of Committee Report**

The Processed Foods ATAC supports this agreement and urges Congress to approve appropriate implementing legislation as soon as possible. While Bahrain is not a significant export market for U.S. processed foods, the Committee strongly endorses the Administration's strategy to create a U.S.- Middle East Free Trade Area. The proposed Agreement with Bahrain is an important milestone toward achieving that objective, building on agreements that already have been concluded with Israel, Jordan and Morocco. The Committee endorses the fundamental goal of opening markets, promoting trade and investment, expanding economic growth and opportunity, and encouraging economic and political stability throughout the Middle East. The Committee is especially pleased that the proposed Agreement covers all agricultural products. It notes that Bahrain will provide immediate duty-free access for U.S. agricultural products covered by 98 percent of its agricultural tariff lines. Tariff on the remaining 2 percent of Bahrain's agricultural tariff lines will be phased out over ten years. The ATAC is pleased to endorse this comprehensive proposed Agreement with a dependable ally in one of the most volatile regions of the world.

### **III. Brief Description of the Mandate of The Agricultural Technical Advisory Committee on Trade in Processed Products**

The Processed Foods Agricultural Technical 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 ensure that representatives of the private sector have an opportunity to provide input to U.S. Government negotiators regarding all tariff and trade matters. The committee provides a formal mechanism through which the U.S. Government may seek advice and information. It is part of network of statutorily established committees that provide advice on trade negotiations to the President, the Office of the U.S. Trade Representative, the U.S. Department of Agriculture and the U.S. Department of Commerce. The newly created Processed Foods ATAC provides advice and information regarding trade in processed foods, one of the fastest growing segments of U.S. agricultural trade. The Committee furnishes advisory opinions and reports and performs other technical functions that are appropriate or are requested by the U.S. Trade Representative and/or the Secretary of Agriculture. In carrying out its functions, the Committee draws upon the technical competence and experience of its members who represent a broad cross-section of the U.S. processed food industry.

### **IV. Negotiating Objectives and Priorities of The Agricultural Technical Advisory Committee on Trade in Processed Products**

On November 21, 2003, following the third meeting of this newly-charted advisory Committee, I was directed by the Committee to write to the U.S. Secretary of Agriculture and the U.S. Trade Representative outlining the group's trade policy priorities. This communication expressed the ATAC's opposition to "...any product exclusions from the U.S.-Central American Free Trade Agreement (CAFTA) and other evolving FTAs." The letter also reflects ATAC concern about the creation of special rules of origin and stresses the importance of resolving existing sanitary, phytosanitary, and technical barriers to trade in the CAFTA and other pending FTAs. Finally the letter urged a proactive strategy for reinvigorating the Doha Development Agenda. In that regard, we highly commend Ambassador Zoellick for his continuing efforts to advance the WTO negotiating process.

### **V. Advisory Committee Opinion on Agreement**

The Agricultural Technical Advisory Committee on Processed Products supports the U.S.- Bahrain Free Trade Agreement. The ATAC urges Congress to quickly approve the implementing legislation so that U.S. companies, farmers, and workers can begin accruing benefits from the proposed Agreement as soon as possible.

The ATAC is pleased that the Agreement provides for the establishment of a subcommittee under the “Joint Committee” that could be tasked with promoting adherence to the *Uruguay Round Agreement on the Application of Sanitary and Phytosanitary Measures* ( SPS Agreement), enhancing cooperation between the U.S. and Bahrain on SPS issues, and resolving any SPS disputes between the parties. Processed foods are especially vulnerable to sanitary, phytosanitary barriers. The ATAC urges further effort to remove any and all SPS and technical trade barriers.

**VI. Membership of Committee**

<b><u>Agricultural Technical Advisory Committee for Trade in Processed Foods</u></b>	
<b>NAME</b>	<b>COMPANY</b>
Robert B. Anderson	Sustainable Strategies
Marietta E. Bernot	Mars, Inc.
David J. Bliss	Private Label Manufacturers Association
Alison R. Bodor	National Confectioners Association
Lynn M. Bragg	Chocolate Manufacturers Association
Karl B. Brown	SB Global Foods
Catherine A. Caponi	H.J. Heinz Company
Leonard W. Condon	Altria Corporate Services, Inc.
Nancy K. Cook	Pet Food Institute
Donna J. Denison	Cassidy & Associates
Mark A. Dunn	J.R. Simplot Company
James P. Finkle	Constellation Brands, Inc.
George A. Franklin	Kellogg Company
Ronald P. Graf	Hershey Foods Corporation
Steven F. Grover	National Restaurant Association
Timothy F. Hamilton	Miatco, Inc.
Gary J. Johnson	McDonald's Corporation
Kelly D. Johnston	Campbell Soup Company
Rodney C. Jones	ConAgra Foods
Robert J. Kapuscinski	Global Export Marketing Co., Ltd.
Kenneth L. Klippen	United Egg Association
Steven P. Krikava	Land O'Lakes
Deborah A. Lamb	Distilled Spirits Council of the U.S., Inc.
Eric A. Larson	Sunkist Growers, Inc.
John F. McDermid	International Business-Govt. Counsellors, Inc
Miriam S. Perry	Processed Food Institute
Lisa Y. Rath	Florida Citrus Processors Association
John P. Roberts	National Association for the Specialty Food Trade
Peggy S. Rochette	National Food Processors Association

Leslie G. Sarasin	American Frozen Food Institute
Sarah F. Thorn	Grocery Manufacturers of America
Charles K. Witzleben	Supervalu International