

106TH CONGRESS  
1ST SESSION

# S. 1651

To amend the Agricultural Trade Act of 1978 to require the Secretary of Agriculture to take certain actions if the European Union does not reduce and subsequently eliminate agricultural export subsidies.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 1999

Mr. BAUCUS (for himself, Mr. GORTON, Mr. BINGAMAN, Mr. CRAIG, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Agricultural Trade Act of 1978 to require the Secretary of Agriculture to take certain actions if the European Union does not reduce and subsequently eliminate agricultural export subsidies.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Agricultural Trade  
5       Fairness Act of 1999”.

6       **SEC. 2. FINDINGS.**

7       Congress finds that—

1           (1) United States agricultural producers are  
2           facing financial ruin due to unanticipated declines in  
3           prices for agricultural commodities;

4           (2) foreign export subsidies of agricultural com-  
5           modities depress prices further and prevent access to  
6           export markets by United States agricultural pro-  
7           ducers;

8           (3) the European Union, the entity that pro-  
9           vides by far the largest agricultural export subsidies,  
10          provides 84 percent of the agricultural export sub-  
11          sidies provided in the world;

12          (4) the export enhancement program carried  
13          out by the United States under section 301 of the  
14          Agricultural Trade Act of 1978 (7 U.S.C. 5651) is  
15          authorized to be funded at over \$500,000,000 for  
16          each of fiscal years 1998 through 2000 (consistent  
17          with the Uruguay Round reduction commitments),  
18          but has been funded at well below the authorized  
19          levels; and

20          (5) the European Union continues to use agri-  
21          cultural export subsidies to bridge the gap between  
22          high domestic support prices and lower world prices,  
23          resulting in extreme market distortions.

1 **SEC. 3. RESPONSE TO UNFAIR TRADE PRACTICES BY EURO-**  
 2 **PEAN UNION.**

3 Title III of the Agricultural Trade Act of 1978 (7  
 4 U.S.C. 5651 et seq.) is amended by adding at the end  
 5 the following:

6 **“SEC. 304. RESPONSE TO UNFAIR TRADE PRACTICES BY EU-**  
 7 **ROPEAN UNION.**

8 “(a) REDUCTION OF AGRICULTURAL EXPORT SUB-  
 9 SIDIES.—

10 “(1) IN GENERAL.—If by January 1, 2002, the  
 11 European Union does not reduce agricultural export  
 12 subsidies by at least 50 percent of the level of agri-  
 13 cultural export subsidies provided as of October 1,  
 14 1999 (as determined by the Secretary), the Sec-  
 15 retary shall take appropriate measures to protect the  
 16 interests of producers of United States agricultural  
 17 commodities and ensure the international competi-  
 18 tiveness of United States agriculture.

19 “(2) MEASURES.—In carrying out paragraph  
 20 (1), the Secretary shall, to the maximum extent  
 21 practicable—

22 “(A) target the European Union’s most  
 23 sensitive export markets for feed grains; and

24 “(B) make available to carry out the ex-  
 25 port enhancement program under section  
 26 301(e)(1) not more than \$1,000,000,000 to en-

1           courage the commercial sale of United States  
 2           agricultural commodities in the chief export  
 3           markets of the European Union.

4           “(b) ELIMINATION OF AGRICULTURAL EXPORT SUB-  
 5       SIDIES.—

6           “(1) IN GENERAL.—If by January 1, 2003, the  
 7       European Union and the United States do not enter  
 8       into an agricultural trade agreement under which  
 9       the European Union agrees to eliminate agricultural  
 10      export subsidies (as determined by the Secretary),  
 11      the Secretary shall take appropriate measures to  
 12      protect the interests of producers of United States  
 13      agricultural commodities and ensure the inter-  
 14      national competitiveness of United States agri-  
 15      culture.

16          “(2) MEASURES.—In carrying out paragraph  
 17      (1), the Secretary shall, to the maximum extent  
 18      practicable—

19               “(A) target the European Union’s most  
 20               sensitive export markets for feed grains;

21               “(B) make available to carry out the ex-  
 22               port enhancement program under section  
 23               301(e)(1) not more than \$2,000,000,000 to en-  
 24               courage the commercial sale of United States

1 agricultural commodities in the chief export  
2 markets of the European Union;

3 “(C) increase the amount of funds made  
4 available to carry out direct credit programs  
5 and export credit guarantee programs under  
6 subsections (a) and (b) of section 211 to pro-  
7 mote the commercial export sale of United  
8 States agricultural commodities in the chief ex-  
9 port markets of the European Union; and

10 “(D) increase the amount of funds made  
11 available to carry out the market access pro-  
12 gram under section 211(c)(1) to encourage the  
13 development, maintenance, and expansion of  
14 commercial export markets for United States  
15 agricultural commodities in the chief export  
16 markets of the European Union.”.

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