

106TH CONGRESS
2D SESSION

S. 2709

To establish a Beef Industry Compensation Trust Fund with the duties imposed on products of countries that fail to comply with certain WTO dispute resolution decisions.

IN THE SENATE OF THE UNITED STATES

JUNE 8, 2000

Mr. BAUCUS (for himself, Mr. BOND, Mr. BINGAMAN, Mr. DORGAN, Mr. DASCHLE, and Mr. KERREY) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To establish a Beef Industry Compensation Trust Fund with the duties imposed on products of countries that fail to comply with certain WTO dispute resolution decisions.

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 “Trade Injury Com-
5 pensation Act of 2000”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) United States goods and services compete in
2 global markets and it is necessary for trade agree-
3 ments to promote such competition.

4 (2) The current dispute resolution mechanism
5 of the World Trade Organization is designed to re-
6 solve disputes in a manner that brings stability and
7 predictability to world trade.

8 (3) When foreign countries refuse to comply
9 with a panel or Appellate Body report of the World
10 Trade Organization and violate any of the Uruguay
11 Round Agreements, it has a deleterious effect on the
12 United States economy.

13 (4) A WTO member can retaliate against a
14 country that refuses to implement a panel or Appel-
15 late Body report by imposing additional duties of up
16 to 100 percent on goods imported from the noncom-
17 plying country.

18 (5) The World Trade Organization Dispute Set-
19 tlement Body found in favor of the United States re-
20 garding the European Union's ban on United States
21 beef produced with hormones and authorized retalia-
22 tion subsequent to the European Union's failure to
23 implement that decision.

24 (6) The United States beef industry has suf-
25 fered by the European Union's continued noncompli-

1 ance with the World Trade Organization ruling and
 2 should be remedied through the establishment of a
 3 Beef Industry Compensation Trust Fund until com-
 4 pliance is achieved.

5 (7) In cases where additional duties are im-
 6 posed such as the United States beef and the Euro-
 7 pean Union dispute, the additional duties should be
 8 used to provide relief to the United States beef in-
 9 dustry that has been insured by noncompliance.

10 **SEC. 3. DEFINITIONS.**

11 In this Act:

12 (1) URUGUAY ROUND AGREEMENTS.—The term
 13 “Uruguay Round Agreements” has the meaning
 14 given such term in section 2(7) of the Uruguay
 15 Round Agreements Act (19 U.S.C. 3501(7)).

16 (2) WORLD TRADE ORGANIZATION.—The term
 17 “World Trade Organization” means the organization
 18 established pursuant to the WTO Agreement.

19 (3) WTO AGREEMENT.—The term “WTO
 20 Agreement” means the Agreement Establishing The
 21 World Trade Organization entered into on April 15,
 22 1994.

23 (4) WTO AND WTO MEMBER.—The terms
 24 “WTO” and “WTO member” have the meanings

1 given those terms in section 2 of the Uruguay
2 Round Agreements Act (19 U.S.C. 3501).

3 (5) INJURED PRODUCER.—The term “injured
4 producer” means a domestic producer of a product
5 (including an agricultural product) with respect to
6 which a dispute resolution proceeding has been
7 brought before the World Trade Organization, if the
8 dispute resolution is resolved in favor of the pro-
9 ducer, and the foreign country against which the
10 proceeding has been brought has failed to comply
11 with the report of the panel or Appellate Body of the
12 WTO.

13 (6) BEEF RETALIATION LIST.—The term “beef
14 retaliation list” means the list of products of Euro-
15 pean Union countries with respect to which the
16 United States Trade Representative is imposing du-
17 ties above the level that would otherwise be imposed
18 under the Harmonized Tariff Schedule of the United
19 States as a result of the European Union’s ban on
20 the importation of United States beef produced with
21 hormones.

22 **SEC. 4. BEEF INDUSTRY COMPENSATION TRUST FUND.**

23 (a) ESTABLISHMENT.—There is established in the
24 Treasury of the United States a fund to be known as the
25 “Beef Industry Compensation Trust Fund” (referred to

1 in this Act as the “Fund”) consisting of such amounts
2 as may be appropriated or credited to the Fund under sub-
3 section (b) and any interest earned on investment of
4 amounts in the Fund under subsection (c)(2).

5 (b) TRANSFER OF AMOUNTS EQUIVALENT TO CER-
6 TAIN DUTIES.—

7 (1) IN GENERAL.—There are hereby appro-
8 priated and transferred to the Fund an amount
9 equal to the amount received in the Treasury as a
10 result of the imposition of additional duties imposed
11 on the products on a United States beef retaliation
12 list.

13 (2) TRANSFERS BASED ON ESTIMATES.—The
14 amounts required to be transferred under paragraph
15 (1) shall be transferred at least quarterly from the
16 general fund of the Treasury to the Fund on the
17 basis of estimates made by the Secretary of the
18 Treasury. Proper adjustment shall be made in
19 amounts subsequently transferred to the extent prior
20 estimates were in excess of or less than the amounts
21 required to be transferred.

22 (c) INVESTMENT OF FUND.—

23 (1) IN GENERAL.—The Secretary of the Treas-
24 ury shall invest such portion of the Fund as is not,
25 in the Secretary’s judgment, required to meet cur-

1 rent withdrawals. Such investments may be made
2 only in interest-bearing obligations of the United
3 States or in obligations guaranteed as to both prin-
4 cipal and interest by the United States.

5 (2) CREDITS TO FUND.—The interest on, and
6 the proceeds from the sale or redemption of, any ob-
7 ligations held in the Fund shall be credited to and
8 form a part of the Fund.

9 (d) DISTRIBUTIONS FROM FUND.—Amounts in the
10 Fund shall be available as provided in appropriations Acts,
11 for making distributions in accordance with subsections
12 (e) and (f).

13 (e) AVAILABILITY OF AMOUNTS FROM FUND.—From
14 amounts available in the Fund (including any amounts not
15 obligated in previous fiscal years), the Secretary of Agri-
16 culture is authorized to provide grants to a nationally rec-
17 ognized beef promotion and research board established for
18 the education and market promotion of the United States
19 beef industry for the following purposes:

20 (1) To provide assistance to United States beef
21 producers to improve the quality of beef produced in
22 the United States.

23 (2) To provide assistance to United States beef
24 producers in market development, consumer edu-

1 cation, and promotion of the beef industry in over-
2 seas markets.

3 (f) TERMINATION OF FUND.—

4 (1) IN GENERAL.—The Secretary of the Treas-
5 ury shall cease the transfer of amounts equivalent to
6 the duties on the beef retaliation list when the Euro-
7 pean Union complies with the World Trade Organi-
8 zation ruling allowing United States beef producers
9 access to the European market and additional duties
10 are no longer imposed on products listed on the beef
11 retaliation list.

12 (2) DISTRIBUTION OF UNUSED FUNDS.—The
13 Secretary of Agriculture shall distribute any unused
14 funds in a manner that benefits the domestic beef
15 industry.

16 (g) REPORT TO CONGRESS.—The Secretary of the
17 Treasury shall, after consultation with the Secretaries of
18 Agriculture, Commerce, and Labor, report to the Congress
19 each year on the financial condition and the results of the
20 operations of the Fund during the preceding fiscal year
21 and on its expected condition and operations during the
22 next fiscal year.

23 **SEC. 5. PROHIBITION ON REDUCING SERVICES OR FUNDS.**

24 No payment made to an injured producer under this
25 Act shall result in the reduction or denial of any service

- 1 or assistance with respect to which the injured producer
- 2 would otherwise be entitled.

