

May 18, 2001

Attn: Gloria Blue, Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade Representative
600 17th Street NW
Washington, DC 20508

Re: Public Comments on Preparations for the Fourth Ministerial Conference of the World Trade Organization, November 9-13, 2001 in Doha, Qatar

The Institute for Agriculture and Trade Policy (IATP) is pleased to submit comments concerning preparations for the Fourth Ministerial. IATP wishes to reiterate its suggestion, made in previous comments to the USTR, that the agency post all comments on its Web page so that interested parties outside of the Washington, DC area may read the comments of other parties in response to Federal Register notices without having to journey to the USTR Reading Room to do so.

The comments below concern transparency, agriculture and intellectual property rights issues respectively.

Transparency

The lack of transparency in the WTO has been a persistent and serious complaint raised by many WTO members and sectors of civil society. On more than one occasion, the Executive Branch of the US government has spoken out about the excessive secrecy and lack of access to WTO information and decision makers. Small but significant steps have been made by the WTO Secretariat to improve the transparency of the process and access to information. For example, the WTO should be commended for its expansion of the information service with the Document online (DOL) facility in February of 2001. (See <http://docsonline.wto.org>).

Unfortunately, as we approach the Fourth Ministerial, the WTO is taking a step backwards by selecting a meeting site that can accommodate less than 5,000 participants overall. The Doha Ministerial could be the beginning of a new round of global trade talks. A new round would have profound effects on lives of people everywhere. Even if it is not the intent of the WTO to restrict participation, holding the meeting in a country with limited housing for international guests creates the impression that these are talks are being held in such a way as to minimize civil society participation.

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Agriculture

The United States has chosen not to make available to the public a comprehensive negotiating proposal as the Committee on Agriculture goes into the second phase of negotiations. This choice is regrettable and runs counter to the stated desire of USTR to increase the transparency of WTO negotiations in general. We hope that in the very near future all sectors of civil society will have the same timely access to the negotiating documents and process that is presently enjoyed by the business sector.

In the statements made available to the public, the US calls on WTO members to gain "further deep reductions in support and protection, while encouraging non-trade distorting approaches for supporting farmers and the rural sector." We share the Administration's desire to reform policies and programs that encourage environmentally damaging expansion and intensification of production. At the same time, the Administration's agricultural policy can and must reflect the multiple environmental and social functions of agriculture. Support for environmentally responsible agriculture can help level the playing field for farmers who assume the costs of farming in such a way as to prevent negative impacts that production practices may have on the environment of their neighbors. Such fiscally, socially and environmentally responsible farmers must not be allowed to be put at a competitive disadvantage with so-called low cost producers who rely on environmentally harmful subsidies to externalize environmental costs of their production. Current policies to expand production for trade tend to award such subsidies to the least responsible stewards of the land and rural communities.

Government policy also should take into account the economic importance of a vibrant rural sector, and not subordinate U.S. agricultural policy to the needs of transnational corporations. Report after report from the USDA and others shows that while the concentration of all segments of the food systems continues to erode market competition, whole towns are disappearing as the economics of farming have become ever less sustainable. The US has now in place a system whereby neither on the domestic nor on the international market do our agricultural products command even a cost of production price. The resulting and persistent dumping of commodities at below the cost of production continues to ruin or imperil most American farmers, and devastate most American rural communities. Allowing agribusiness to pay less than the cost of product prices for its raw materials in most years, and rely on myriad taxpayer subsidies to maintain the mirage of "cheap food" for U.S. consumers, has contributed to a food system with severe and persistent economic, environmental and food safety liabilities.

U.S. agribusiness dumping, supported by U.S. export credit, insurance and transportation subsidies to agribusiness, continues to drive farmers out of business in poorer countries. The food security of these countries is undermined as they use precious hard currency reserves to pay for foods that their farmers could grow and market if they did not have to compete with dumped products. We can begin to address the near systemic distortions in agricultural trade and in U.S. agricultural markets, only if the U.S. government takes the

initiative to table proposals at the WTO to phase out all forms of agricultural dumping.

The United States continues to maintain direct and indirect subsidies and protections that distort agricultural markets and threaten our environment, such as below-market pricing for water from government-funded projects and for grazing on public lands. The Administration should carry out a thorough review and restructuring of these policies and programs, and take them into account when notifying Aggregate Measure of Support commitments to the WTO Committee on Agriculture.

The WTO agricultural negotiations offer governments a chance to develop a multilateral understanding of which policies and programs should be reduced or phased out, and which should be permitted, on environmental, rural development and socio-economic grounds. Governments should also explore how to help developing countries implement such support programs, whether through multilateral financial and technical assistance or through some system of preferences. We urge the Administration to provide leadership on the issue of food security in these talks, a subject for negotiations under Article 20 of the Agreement on Agriculture. Governments must consider the impacts that dumping of food exports has on the productive capacity of countries whose populations suffer from chronic hunger, and take such into account in implementing the AoA.

Agreement on Trade Related Aspects of Intellectual Property (TRIPS)

IATP is emphatically opposed to life patents and supports the Third Ministerial proposal of the African Group in Seattle to prohibiting all patents on life. With the support of a number of other developing countries, the African Group has proposed revisions to the TRIPs Agreement to clarify 'that plants and animals as well as microorganisms and all other living organisms and their parts cannot be patented, and that natural processes that produce plants, animals and other living organisms should also not be patentable.' We urge the US government to support this critical revision and urge other WTO members to do likewise.

We also support amendments to TRIPS to expand the exceptions to patentability to include pharmaceutical drugs. Other countries have successfully developed life-saving drugs through process patents instead of product patents; this practice should be explicitly allowed under TRIPs. Parallel importing and compulsory licensing, likewise, should be explicitly allowed. (Presently, these latter practices are implicitly allowed -- although the U.S. government has challenged some governments exercising this right. Such challenges are intolerable.) The U.S. government should immediately withdraw its complaint under the WTO Dispute Settlement Understanding against Brazil's production and promotion of affordable AIDS drugs.

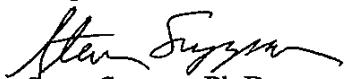
IATP also supports developing countries' call for the full operationalization of the TRIPS Agreement's objectives in Articles 7 and 8; the implementation of the Article 66.2 obligation to ensure the transfer of technology to enable least-developed

countries to create a sound technological base, and for the extension of transitional implementation arrangements.

Finally, amendments to TRIPS should ensure the protection of innovations of indigenous and local farming communities; the continuation of traditional farming processes, including the right to use, exchange and save seeds, and promote food security. Another amendment should clarify once and for all that the provisions of WTO agreements must be consistent with those of the United Nations Convention on Biological Diversity.

We look forward to your response to and questions about these comments. We would be pleased to assist the USTR in drafting negotiating proposals, before or after the Fourth Ministerial, consistent with the content of our comments.

Respectfully submitted on behalf of IATP,



Steve Suppan, Ph.D.
Director of Research