

ROADMAP

Roadmaps aim to inform citizens and stakeholders about the Commission's work to allow them to provide feedback and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to share any relevant information that they may have.

TITLE OF THE INITIATIVE	Negotiation mandate for revising an agreement with the US on the import of hormone-free beef
LEAD DG – RESPONSIBLE UNIT	DG AGRI A.2 World Trade Organisation (WTO) and A.3 The Americas
LIKELY TYPE OF INITIATIVE	Non-legislative procedure
INDICATIVE PLANNING	Q2 2018
ADDITIONAL INFORMATION	-

This Roadmap is provided for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Roadmap, including its timing, are subject to change.

A. Context, problem definition and subsidiarity check

Context

This initiative is intended to modify the current arrangements with the US regarding the importation of hormone-free beef. It is not meant to address in any way the issue of the EU ban on hormones-treated beef itself.

The EU-US dispute on hormone-treated beef was subject to a World Trade Organisation panel in 2008 which issued a mixed ruling allowing the United States to continue its trade sanctions on EU products (mostly agricultural ones, including meat), but allowing the European Union to maintain its ban on hormone-treated beef. In 2009 following this ruling, the EU and the US negotiated an interim agreement (called "Memorandum of Understanding" or MoU) paving the way for a future conclusion of this long-standing dispute. The agreement in question provides for the import of hormone-free beef into the EU through a duty-free tariff rate quota of 45 000 t product weight, currently in place. As agreed in the MoU with the US, the quota is not exclusively reserved for the US, as to have done so would not be in compliance with WTO law. This interim agreement was revised in 2014 confirming this approach and with the aim to review at some point in the future the functioning of this agreement and the possible settlement of the WTO dispute.

On 22 December 2016, the Office of the United States Trade Representative (USTR) issued a notice of public hearing and request for comments regarding the reinstatement of retaliatory action, i.e. of trade sanctions that are currently suspended, in connection with EU measures concerning imports of US beef and beef products. This followed a request of representatives of the US beef industry in a letter dated 8 December 2016, where the US beef industry considers that the access to the EU beef market that it currently enjoys does not meet the US industry's expectations, notably because other supplying countries have increased their share of exports within the quota.

The EU has fully complied, both in the letter and in spirit, with the Memorandum of Understanding signed with the United States in 2009 and revised in 2014 and is committed to keep its high food safety and health standards. Only products complying with these standards are allowed into the EU market. For instance, only beef from cattle not treated with hormones can be imported into the EU. Nonetheless, the EU stands ready to discuss any concern that the US Administration raised and in particular to consider what adjustments to the MoU could assuage US concerns.

EU-US Revised Memorandum of Understanding:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014D0044&rid=2>

Problem the initiative aims to tackle

After several years of operating, the interim solution needs to be reviewed notably in the light of the administrative steps taken by the US regarding the possible withdrawal from the MoU and the possible re-imposition of trade sanctions on EU exports to the US.

Basis for EU intervention (legal basis and subsidiarity check)

The initiative falls under the exclusive competence of the EU according to Article 207 of the Treaty on the Functioning of the European Union (TFEU). Therefore, the subsidiarity principle does not apply.

B. What does the initiative aim to achieve and how

The aim of this initiative is to address US concerns raised regarding the implementation of the MoU, to find a mutually satisfactory solution in line with WTO rules, and to facilitate the eventual termination of the long-standing dispute.

C. Better regulation**Consultation of citizens and stakeholders**

Stakeholders concerned include importers and producers of beef as well as of other agricultural products, represented at EU level by the European Livestock and Meat Trades Union (UECBV), COPA-COGECA and Food Drink Europe, as well as exporters of non-agricultural products which would be negatively impacted should the US withdraw from the agreement due to the fact that the US could re-impose sanctions on EU exports.

As regards future consultations, the Commission will keep EU Member States, Parliament and the relevant stakeholder organisations informed of the process of the negotiations through the appropriate Council and Parliament Committee and Expert Group.

Feedback from the general public on this roadmap is also welcome.

Evidence base and data collection

Given that this initiative concerns negotiations on the further implementation of a specific provision provided in the current existing EU-US Revised Memorandum of Understanding (Article III.2 on Quota Management), no impact assessment is foreseen. Should the outcome of the negotiations go beyond the existing EU acquis, the need for an impact assessment will be reassessed for the eventual ratification instruments and/or transposition measures.