

EU health rules prove harmful to U.S.

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European Union health, safety and consumer precautions are increasingly hindering U.S. goods from competing in the European market, according to a report released yesterday by a U.S. business group.

Trade in agricultural goods has drawn the most attention, with the United States winning a case at the World Trade Organization against EU restrictions on U.S.-produced beef and threatening another on genetically modified crops.

But in addition to food, consumer goods and high-tech products, other manufactured goods are increasingly affected by trade barriers that ignore "sound science," said the report, issued by the National Foreign Trade Council, a Washington-based business group with about 400 members, including firms such as Dupont and the Gap.

"Sound science" should be based on clinical research, for example by the U.S. Food and Drug Administration, rather than a "precautionary principle" that assumes a product is hazardous until proven safe, the report said.

"If you look only at one product or industry at a time, you miss the tremendous damage these barriers represent," said William Reinsch, the council's president.

The report looked at a worldwide trend in trade barriers, but focused largely on the 15-nation European Union, one of the United States' most important trading partners.

The United States exported \$143.7 billion to European Union countries last year, and imported \$226.1 billion, according to U.S. Census Bureau figures.

At a conference yesterday to introduce the report, an EU official defended the European system and criticized the report.

"The document a bit simplistically says that we in the U.S. use sound science and the Europeans don't," said Tony Vanderhaegen, a minister-counselor at the EU delegation in

Washington.

Rather, EU precautions follow common sense, he said. And Mr. Vanderhaegen warned that consumer regulations reflect consumer attitudes.

For example, if the United States were to win a WTO case against the European Union's moratorium on genetically modified crops, consumers would be likely to boycott U.S. food products, he said.

The genetically modified, or biotech, crop issue has been especially sensitive.

Citing health and consumer concerns about so-called "Frankenfoods," the European Union has blocked approval of new biotech crops since 1998. As a result, U.S. corn farmers claim they are losing a market worth at least \$200 million per year.

Mr. Vanderhaegen noted that the EU's scientists had approved some of the genetically modified products that have since been blocked by the moratorium.

The approval process was moving forward, he said.

The Bush administration has said that the EU policy violates international trade rules.

The administration, under pressure from farmers and legislators to file a case, has threatened to take action, but not gone ahead with it.

Sen. Charles E. Grassley, Iowa Republican and a key legislator on trade issues, has been especially vocal in pressing the administration to file a WTO case against the European Union.

He met with White House officials yesterday to press the case and has written letters to top trade officials.

In addition to agricultural products, EU policy also affects autos, chemicals, cosmetics and high-tech, yesterday's report said.

EU decisions are "influenced not by scientific evidence of actual risk, but rather, by a fear of hypothetical hazards grounded in political, social and moral principles," the report said.

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