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[H.R. 2393, Country of Origin Labeling Amendments Act of 2015](#)

FLOOR SITUATION

On Wednesday, June 10, 2015, the House will consider [H.R. 2393](#), the *Country of Origin Labeling Amendments Act of 2015*, under a [closed rule](#). The bill was introduced on May 18, 2015, by Rep. Michael Conaway (R-TX) and was ordered to be reported by the Committee on Agriculture by a vote of 38 to 6 on May 20, 2015.

SUMMARY

H.R. 2393 amends the Agricultural Marketing Act of 1946 to repeal existing final point of sale country-of-origin labeling requirements for retailers of beef, pork, and chicken.

BACKGROUND

In 2002, the Farm Security and Rural Investment Act was enacted, which included country-of-origin labeling (COOL) provisions requiring retailers of certain meat products to inform consumers of a product's country-of-origin.¹ Controversial aspects of COOL prompted Congress to amend the law in the 2008 Farm Bill.² Less than five months after the U.S. Department of Agriculture's (USDA) COOL-implementing rule was published in 2008, Canada and Mexico challenged the rule at the World Trade Organization (WTO), arguing that it had a trade-distorting impact by discriminating against imported livestock.³

The WTO ruled against the U.S. in November 2011 and against its subsequent appeal in June 2012, ruling that American COOL regulations violated its WTO obligations by discriminating against imported livestock. The WTO ordered the U.S. to come into compliance by May 2013. The USDA subsequently issued a revised COOL rule, but Canada and Mexico claimed the revised rule did not bring the U.S. into compliance. The WTO ruled against the U.S. revised rule in October 2014 and

¹ See [Public Law 107-171](#) Section 10816

² See [Public Law 110-246](#) Section 11002

³ See [House Report 114-131](#) at 2.

again in a final appeal in May 2015, finding for a fourth time that U.S. COOL requirements for beef and pork are discriminatory and therefore not in compliance with WTO obligations.⁴

After issuing the ruling, the WTO has begun the process of determining the level of retaliatory tariffs Canada and Mexico would be permitted to impose if the U.S. does not comply with the ruling.⁵ Canada's Trade Minister issued a statement stating that it will seek WTO authorization for nearly \$2.5 billion in retaliatory sanctions. The Mexican government said it is seeking WTO authority to issue over \$650 million in retaliatory sanctions against the U.S.⁶ H.R. 2393 repeals existing country-of-origin labeling requirements for retailers of beef, pork, and chicken to avoid these retaliatory tariffs.

Although chicken was not a part of the WTO dispute between Canada, Mexico and the U.S., industry stakeholders have requested COOL requirements for chicken be repealed as well due to the high costs and minimal benefits associated with the requirements.⁷

According to the bill sponsor, "in light of the WTO's decision and the certainty that we will face significant retaliation by Canada and Mexico, we cannot afford to delay action . . . This bill is a targeted response that will remove uncertainty, provide stability, and bring us back into compliance."⁸

COST

The Congressional Budget Office (CBO) [estimates](#) that enactment of this bill would have an insignificant effect on spending subject to appropriation over the 2016 to 2020 period because USDA would continue to enforce compliance with labeling requirements for other commodities. In 2015, USDA received an appropriation of \$5 million for country-of-origin inspections. Enacting H.R. 2393 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

⁴ Id. at 2 and 3.

⁵ Id. at 3.

⁶ See Wall Street Journal article, [Canada, Mexico Hope to Penalize U.S. Trade Over Meat Labels](#), June 4, 2015.

⁷ See [House Report 114-131](#) at 6.

⁸ See [Agriculture Committee Press Release](#), May 19, 2015.