

# ***NHC NEWS***

## ***A Monthly Bulletin of the Northwest Horticultural Council***

### ***EU Steel and FSC Retaliation***

Over the past few months, NHC staff has worked with officials in Washington, D.C. and responded to numerous press inquiries regarding the rapidly approaching European Union deadline of December 6, 2003 for imposing retaliatory tariffs of 15 percent on imported U.S. apples, pears and sweet cherries.

This simmering trade war began to unfold in March of 2002, when President Bush imposed temporary safeguards in terms of tariffs of 30 percent on imported steel. Initially, the EU had put forward two retaliatory lists. The first list proposed imposing 100 percent retaliatory tariffs on 40 products, including apples. These 100% tariffs never became a reality as the U.S. exempted many steel items from the safeguard duty and the EU stepped back from its first retaliatory strategy and, instead, took the issue to the World Trade Organization (WTO) for resolution.

The EU's second retaliatory list in the steel case contains hundreds of products and is the one threatening our industry now with tariffs of 15 percent. This list was developed so that the EU might retaliate against the U.S. if it won its case in the WTO and President Bush did not abide by this decision by promptly removing the steel safeguard tariffs. On November 10, the EU prevailed in its WTO case, and now plans to impose retaliatory tariffs effective December 6. As information on this issue evolves, the NHC will update the Country Alert on this subject posted to its web site at <http://www.nwhort.org/EUAlert.html>.

A separate, and long standing, U.S.-EU WTO trade dispute surrounds the use by U.S. exporters, such as Boeing, of a section of tax law known as FSC, for Foreign Sales Corporation, to shield certain

corporate income from U.S. taxation. The EU is threatening to apply \$4 billion in retaliatory tariffs as a result of a finding by the WTO that FSC violates international trade law. The threat is being held in abeyance while the U.S. Congress works to solve the problem. Fortunately, apples, pears and sweet cherries are not on the list of products facing retaliation in this dispute, thanks in large part to previous efforts by importers of our products in the EU.



### ***Transitions***

**Jonathan DeVaney**, Director of Legislative and Regulatory Affairs for the Northwest Horticultural Council, submitted his resignation effective November 21. His 20 month stint with the NHC concluded when he was recruited back to the staff of Congressman Doc Hastings of Washington. He will serve Mr. Hastings as his Deputy District Administrator.

At a meeting on November 13, the Washington Apple Commission appointed **Dave Carlson** as its president. Since July, Mr. Carlson had been acting as the interim leader of the WAC.

Governor Schwarzenegger appointed **A. G. Kawamura** as his new administration's secretary for the California Department of Food and Agriculture. Mr. Kawamura is an Orange County produce industry leader with strong ties to the Western Growers Association. With his new capacity, Mr. Kawamura will likely soon resign his seat on the Agricultural Trade Advisory Committee for Fruits & Vegetables in Washington, D.C. He served as chairman of this trade advisory committee which has as its vice chairman, Mark Powers of the NHC.

## ***Website of the Month:***

The NHC's website, [www.nwhort.org](http://www.nwhort.org), contains an extensive links section to other websites of interest to our work. This month's featured site is hosted by USDA's Agricultural Marketing Service and is entitled "[Fresh Produce Audit Verification Program](#)". It organizes information of special interest to fruit shippers who expect to sell to any USDA food purchase program, such as the School Lunch Program, in 2004.



## ***Travel***

**December 4** – NHC trustees' meeting, Yakima, Washington.

### ***Chris Schlect***

**December 2-4** – The 99<sup>th</sup> Annual Meeting of the Washington State Horticultural Association, Wenatchee, Washington.

**December 16** – Annual meeting of the National Endangered Species Act Reform Coalition, Washington, D.C.

### ***Mark Power***

**December 10** – Meeting of the Washington State Fruit Commission, Yakima, Washington.

**December 11** – Special board meeting of the Pacific Northwest Canned Pear Service, Portland, Oregon.

### ***Mike Willett***

**December 2-4** – The 99<sup>th</sup> Annual Meeting/Post Harvest Conference of the Washington State Horticultural Association, Wenatchee, Washington.

**December 8-12** – USDA Animal Plant Health Inspection Services Plant Protection and Quarantine Stakeholders meeting, Washington, D.C.

Churchill agreed with Attlee as to the horrendous powers of the new superweapon but, unwilling to upset the Anglo-American apple-cart...

**Geoffrey Best**  
*Churchill*  
*A Study in Greatness*

*The Northwest Horticultural Council represents the deciduous tree fruit industry of Idaho, Oregon and Washington on national and international policy matters of interest to growers and shippers. Its full and associate members are:*

- *Fruit Growers League*
- *Hood River Grower-Shipper Assn.*
- *Idaho Apple Commission*
- *Oregon Bartlett Pear Commission*
- *Oregon Sweet Cherry Commission*
- *Pacific Northwest Canned Pear Service*
- *Washington Apple Commission*
- *Washington State Fruit Commission*
- *Wenatchee Valley Traffic Assn.*
- *Yakima Valley Growers-Shippers Assn.*

*The NHC also advises the Winter Pear Control Committee (Portland) on certain issues related to food safety, crises control and international trade.*



- **Christian Schlect**, President
- **Mark Powers**, Vice President
- **Michael J. Willett, Ph.D.**, Vice President for Scientific Affairs
- **Vacant**, Director of Legislative & Regulatory Affairs

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