Baucus Says Korea Must Implement Beef Agreement for Trade Vote

By Mark Drajem Bloomberg June 11, 2008

South Korea must live up to a deal signed two months ago to allow in all cuts and ages of U.S. beef before the U.S. Congress will consider a free-trade accord with that nation, Senate Finance Committee Chairman Max Baucus said.

Baucus said protests by 80,000 people in Seoul today against U.S. beef imports shouldn't mean that the government of President Lee Myung Bak can renegotiate the beef agreement to restrict imports of meat from older cattle.

"We reached an agreement, and they need to live up to it," Baucus, a Montana Democrat, told reporters in Washington today.

"The ball is in their court."

Lee agreed in April to lift a beef ban imposed to prevent the possible spread of mad cow disease to win support from U.S. lawmakers for a wider free-trade accord. Daily beef protests, some of which turned violent, forced him to ask the U.S. to restrict shipments of the meat from cattle aged 30 months and older, which is thought to be more susceptible to bovine spongiform encephalopathy.

Baucus said any such limit would mean the free-trade deal is still stuck. The two countries signed that agreement, the largest accord for the U.S. in more than a decade, a year ago, and it hasn't been ratified because lawmakers insisted that Korea accept U.S. beef.

`What Korea Wants'

"Korea has to decide what Korea wants to do," Baucus said.

South Korea bought 246,595 tons of U.S. beef valued at \$815 million in 2003, the most behind Japan and Mexico, according to the U.S. Meat Export Federation.

Lee sent a government delegation to the U.S. two days ago in an effort to quell public anger. Earlier today, Kim Byung-Kook, an envoy from Lee's office, was scheduled to meet with Baucus's Republican counterpart on the Finance Committee, Iowa Senator Charles Grassley.

"We are in close contact with the Korean government in an effort to find a mutually acceptable path forward on the issue," said Gretchen Hamel, a spokeswoman for the U.S. Trade Representative's office.

South Korea was the third-biggest buyer of U.S. beef before imposing a ban in December 2003 on concerns about the brain- wasting disease, also known as BSE. Scientists say BSE is spread in cattle by tainted animal feed.

Protests broke out in South Korea after an April 29 Munwha Broadcasting Corp. program entitled `Is U.S. Beef Safe From Mad Cow Disease?" The documentary claimed that ethnic Koreans are more susceptible to the disease.

With reporting by Heejin Koo and Bomi Lim in Seoul. Editors: Bill Arthur. Jim O'Connell.

To contact the reporter on this story: Mark Drajem in Washington at +1-202-624-1964 or mdrajem@bloomberg.net

To contact the editor responsible for this story: Michael Forsythe at +1-202-624-1940 or mforsythe@bloomberg.net