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A NATIONAL FRAMEWORK FOR THE REVIEW AND LABELING OF BIOTECHNOLOGY IN FOOD

THURSDAY, JUNE 18, 2015

House of Representatives,

Subcommittee on Health,

Committee on Energy and Commerce,

Washington, D.C.

The subcommittee met, pursuant to call, at 10:03 a.m., in Room 2123, Rayburn House Office Building, Hon. Joseph R. Pitts [chairman of the subcommittee] presiding.

Present: Representatives Pitts, Guthrie, Whitfield, Shimkus, Murphy, Burgess, Blackburn, Lance, Griffith, Bilirakis, Ellmers, Bucshon, Brooks, Collins, Upton (ex officio), Green, Capps, Schakowsky, Butterfield, Castor, Sarbanes, Schrader, Kennedy, and Pallone (ex officio).

Also Present: Representatives Pompeo and Welch.

Staff Present: Clay Alspach, Chief Counsel, Health, Sean Bonyun, Communications Director; Leighton Brown, Press Assistant; Karen Christian, General Counsel; Noelle Clemente, Press Secretary; Carly McWilliams, Professional Staff Member, Health; Tim Pataki, Professional Staff Member; Graham Pittman, Legislative Clerk; Chris Sarley, Policy Coordinator, Environment & Economy; John Stone, Counsel, Health; Dylan Vorbach, Staff Assistant; Greg Watson, Staff Assistant; Christine Brennan, Minority Press Secretary; Jeff Carroll, Minority Staff Director; Eric Flamm, Minority FDA Detailee; Tiffany Guarascio, Minority Deputy Staff Director and Chief Health Advisor; Samantha Satchell, Minority Policy Analyst; and Kimberlee Trzeciak, Minority Health Policy Advisor.

Mr. Pitts. Good morning. I ask that all of our guests today please take their seats. The subcommittee will come to order. The chair will recognize himself for an opening statement.

Genetically modified organisms, or GMOs, is a term that refers to ingredients sourced from crops that have been genetically engineered to express certain traits or characteristics.

There are real sensitivities around these issues and all issues regarding the food we eat and feed our children and grandchildren. It is our job, as policymakers, particularly as it relates to the public health, to establish a factually and scientifically sound foundation prior to taking any action that would impact consumers and our economy.

This hearing provides a great opportunity to put rhetoric aside and do just that. Genetic engineering in agriculture has occurred for centuries. Ingredients from genetically engineered plants have been a part of the U.S. food supply for decades.

In fact, as much as 90 percent of our corn, sugar beet, and soybean crops are now genetically engineered and more than 70 percent of processed foods contain ingredients derived from such crops.

The Food and Drug Administration oversees the safety of all food products from plant sources, including those from genetically engineered crops. These products must meet the same safety requirements as foods from traditionally-bred crops. The FDA currently has a consultation in place which developers of the underlying technologies address any outstanding safety or other regulatory issues with the agency prior to marketing their products.

FDA has completed approximately 100 of such consultations. No products have gone to market until FDA's safety-related questions have been resolved. FDA officials have repeatedly stated that the agency has no basis for concluding that bioengineered foods are different from other foods in any meaningful way, and the World Health Organization has confirmed that, quote, "No effects on human health have been shown as a result of consumption of such foods," end quote. In fact, they can grow faster, resist diseases and drought, cost less, and prove more nutritious. Nonetheless, there have recently been a number of State initiatives calling for the mandatory labeling of food products that contain GMOs.

We will hear today from a number of witnesses who can speak to such actions and the impact they would have. I am concerned that a patchwork of State labeling schemes would be impractical and unworkable. Such a system would create confusion among consumers and result in higher prices and fewer options.

Finally, I want to commend, Representative Mike Pompeo and Representative Butterfield for their leadership on these issues and look forward to learning more about their continued efforts to work in a bipartisan manner on H.R. 1599, the Safe and Accurate Food Labeling Act of 2015. All these efforts will continue as the legislative process moves forward. I am encouraged that the revised language circulated in advance of this hearing has been informed by conversations between the sponsors, the committees of jurisdiction, the implementing agencies, and the impact of stakeholders.

I would like to welcome all of our witnesses for being here today. I look forward to your testimony. And I yield the balance of my time to distinguished vice chairman of the full committee, Representative Blackburn of Tennessee.

Mrs. Blackburn. Thank you, Mr. Chairman.

Welcome to all. And the chairman mentioned the food that we eat and that we feed our children and grandchildren. I want to add one category to that, what we feed our pets. And we are concerned about that aspect also.

I do appreciate Mr. Pompeo and the assistance they have given us as we look at pet food labeling. And the chairman also mentioned that we have had these products in the marketplace for decades. I would say we are talking about over 100 years. Go back and look at what farmers did. And they would breed cattle to get the best traits. Look at the work that George Washington Carver did in his 40 years of teaching and research at Tuskegee, looking for ways to improve the soil, looking at different varietals of peanut and sweet potatoes and improving the health of individuals in the south.

Genetically modified foods are components that are indeed with us, and it is because of them that we have greater yields per acre; we have more varieties, and that our farmers markets that I visit every single weekend are full of beautiful products that encourage people to access these fresh foods and bring them into their homes and kitchens.

With that, I thank all for their work. I yield back.

Mr. Pitts. The chair thanks the gentlelady.

Now I recognize the ranking member of the subcommittee, Mr. Green for 5 minutes.

Mr. Green. Mr. Chairman, I was glad our vice chair of the subcommittee worried about our pets. My problem is I had a dog one time that ate pillows and curtains and everything else. I think he ate everything he could get his mouth on.

Mr. Chairman, I have a statement I would like to put into the record, but I would like to yield my time to Congressman Butterfield.

Mr. Pitts. Without objection, so ordered.

Mr. Butterfield. Thank you very much, Mr. Green and Mr. Pitts. Before beginning, Mr. Chairman, I just want to publicly extend my condolences to the families of the nine victims in Charleston, South Carolina who were horrifically murdered last night while attending a prayer meeting. So thank you, Mr. Chairman, for allowing me to digress for just a moment to offer my sympathies to those families.

Mr. Chairman, I support H.R. 1599. I am the bill's lead democratic co-sponsor. This bill is bipartisan. It proposes a national labeling standard for foods produced with genetically modified ingredients. The alternative is a complex and unworkable patchwork of differing State laws that can only cause confusion and do little to provide greater transparency. Several States have moved forward with proposals that would require foods containing ingredients to be labeled. This is in response to unsubstantiated claims that foods containing genetically modified ingredients are, in some way,

dangerous in human consumption. I take exception to these unfair and downright dishonest claims.

Foods containing genetically modified ingredients are safe. The FDA, USDA, National Academy of Sciences, AAAS, the WHO, every major scientific and governmental organization agrees with that statement. Even opponents of genetically modified foods admit genetically modified foods have failed to produce any untoward health effects. But the demonization of genetically modified foods continues despite objective science proving to the contrary.

Those opposed to genetically modified foods simply reject science, and that is tremendously disappointing. And though I stand with science and my belief that these foods are safe, I understand the concerns expressed by the opponents and want to be responsive. That is why I have worked with my friend, Mr. Pompeo, and others in advocating for a Federal framework for labeling and crop commercialization that puts the FDA and USDA, our Nation's foremost food safety authorities, putting them in the driver's seat. 1599 is a balanced approach that reduces confusion by providing consumers with labeling uniformity across State lines that addresses the concerns of those who are opposed to genetically modified foods while not neglecting the fact that our Nation's farmers and manufacturers grow and produce foods that are so far and wide and not just within a State's borders. Without a Federal standard, Mr. Chairman, those farmers and manufacturers will be forced to comply with uneven costly and potentially misleading and onerous State-by-State mandates.

Compliance will require new costly supply chain infrastructure that would disrupt the Nation's food supply, cause confusion and uncertainty. 1599 is reasonable. And most importantly, it is workable.

I want to thank the more than 60 bipartisan co-sponsors for joining me and Mr. Pompeo in agreeing that our bill is the best way forward.

I yield the remainder of my time to Mr. Welch of Vermont.

Mr. Welch. I thank the gentleman. The issue here is not so much whether GMOs are safe. The issue is whether individual purchasers, consumers, who purchase food have a right to know that GMOs are part of the food they are buying. It is a consumer right-to-know issue. I agree with my colleagues that a national standard would be good, but there is no national standard in this bill. It is a voluntarily labeling, which means there will be no labeling whatsoever.

Many States are reflecting the desires of their consumers to basically know what is in the product they are buying, and the consumer has the right to do that. They just do. And this legislation is ironic in this sense: If GMOs are so safe, and I am not here to challenge that assertion, but if they are so safe, why not label so that folks who are getting what the manufacturers assert is so safe know that their product will be labeled and consumers can then make their own decision. My question really is, if they are so safe, why would anyone be afraid of so labeling those products so that consumers would have a right to know?

Now, in Vermont we have our assistant attorney general here, Todd Daloz, who is going to talk about what we have done in Vermont. Three States have passed labeling laws. Several others are considering them. There has been referendums that almost passed in California and it is reflecting this groundswell of desire that consumers have to know what is in the products that they are buying.

Now, I am going to play a little unfair here, Mr. Chairman, because I am here today to give Mr. Pompeo --

Mr. Pompeo. Finally.

Mr. Welch. -- and Mr. Butterfield a GMO free labeled pint of the most nutritious product on planet earth, and that is Ben and Jerry's ice cream. And this is labeled, and it sells. People love this.

I will yield back.

Mr. Pitts. The gentleman's time has expired.

The chair recognizes the chair of the full committee, Mr. Upton, 5 minutes for opening statement.

The Chairman. Good morning. We continue our examination of the role biotechnology plays in our Nation's farms and in our food supply. Our food, as we know, is literally our lifeline. It is important for the public to be engaged. It is the job of this subcommittee to establish a record based on the facts and the science so we ultimately pass legislation that is in the best interest of our constituents and our economy.

At the hearing that we held in December of last year and in other venues since then, the FDA has been clear that the premarket

consultation process currently in place to review food produced from genetically engineered crops is rigorous and the agency has no basis for questioning its safety. The WHO and every other legitimate health and scientific body that has examined this evidence has echoed the FDA's findings. Nonetheless, there are number of State-specific labeling requirements in various stages of consideration that are inconsistent, potentially confusing to consumers, would increase food costs that cast out over the safety of biotechnology.

Mr. Pompeo and Butterfield have been working tirelessly on a bipartisan basis in putting together a clear, understandable national framework that maintains FDA'S current review process, codifies Federal labeling standards and related requirements, establishes a certification process that the Department of Ag, consistent with current organic program, for the labeling of products as being produced or developed without the use of genetic engineering.

The draft amendment to H.R. 1599 circulated before this hearing is another step in the right direction, and I commend the Ag Committee for working with us to get the bill through the House to ensure consumers will have a clear, concise, and consistent system to assist in their food choices. I yield the balance of my time to Mr. Pompeo.

Mr. Pompeo. Thank you.

Thank you, Mr. Chairman, for yielding.

I want to thank Chairman Pitts and Ranking Member Green for holding this hearing. I appreciate it. I very much want to thank Mr. Butterfield, too. We have been working on this for quite some

time, and I think we are making fantastic progress. I also thank Mr. Welch for the ice cream as well. I hope it was Chunky Monkey. I couldn't see exactly what it was.

And I want to thank all the witnesses for being here today as well so that we can get the facts about both the technology and this legislation.

The fact is scientific consensus on the safety of genetically engineered products is overwhelming. Precisely zero pieces of credible evidence have been presented to show that food produced with biotechnology poses any risk to health and safety of consumers.

Before the idea that the government at any level should step in and mandate that they be labeled borders on the absurd. Expanding government at any level to enshrine preferences into a costly legal requirement is bad policy.

What policymakers need to realize is that this bad policy has real effects on families we represent in our districts. Those who support mandatory genetically engineered product leveling must stand up and admit they are willing to increase the cost for foods for families in places like Wichita, and Houston, and Grand Rapids, and New York in order to satisfy the unscientific demands of anti-biotechnology activists. Our goal here must be to ensure that families in America have access to safe, nutritious, affordable food for their kids and families. Having hundreds of different governments, State and local, regulating food labeling, increases costs to families across America and for no benefit.

We should also consider the effects of biotechnology on the ability to feed the world. Providing affordable food around the planet is something that Americans and Kansans are going to need to be an important part of, and allowing biotechnology to flourish will be an important part of getting this policy right.

The potential amendment we are considering on H.R. 59 and the one that we are reviewing today is the result of much conversation between the Energy and Commerce Committee and Ag Committee, and I appreciate their work alongside us. Like the current language this amendment ensures that every new genetically engineered plant destined to enter our Nation's food supply goes through an FDA safety review.

Additionally, this amendment improves our bill by aligning USDA and FDA responsibilities to ensure that a thorough and complete review of these products is done. I have a letter from over 2 dozen members of the Agriculture Committee, Mr. Pitts, that I would like to enter into the record dated June 18th.

Mr. Pitts. Without, objection, so ordered.

[The information follows:]

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Mr. Pompeo. Thank you.

The reality is that biotechnology, time and time again, has been proven safe. This is simply not a debatable point. Our policy ought to reflect that, and we shouldn't raise the price for consumers based on a desire of a particular set of activists.

Thank you, again, Mr. Pitts, and I look forward to the hearing.

Mr. Pitts. The chair thanks the gentleman.

Now I recognize the ranking member of the full committee, Mr. Pallone, for 5 minutes for opening statement.

Mr. Pallone. Thank you, Mr. Chairman.

Today we will hear a range of views on why there should or should not be mandatory labeling of foods from genetically engineered or GE plants, and on why States should and should not be allowed to impose such labeling requirements.

I have been long been a proponent of strong food labeling requirements. I was an original co-sponsor of the Nutrition Labeling and Education Act of 1990. I was a strong advocate for the ACA provision requiring nutrition labeling on menus and sponsored legislation last year, which I will be reintroducing to update and strengthen current FDA nutrition labeling requirements. And I have strongly opposed any attempts to weaken existing labeling requirements, such as the Commonsense Nutrition Labeling bill, which I believe would impede consumer access to nutritional information on menus and restaurants, pizza parlors, grocery stores, and convenience stores.

So I am inclined to be skeptical of legislation aimed at limiting, rather than enhancing, information on a food label. At the same time, I recognize that the differences between nutrition labeling and GE labeling may warrant different regulatory approaches. Nutrition labeling provides information and enables consumers to make health-related choices on how they eat. There is no question in my mind the Federal government should food companies to put that information on food labels.

GE labeling is about the breeding techniques used to make agricultural crops. Food from such crops do not share any particular nutritional or health-related properties. A GE label provides no information on the consumption of the food or whether -- I am sorry -- on the composition of the food on whether it is good for bad for you, on whether it tastes good or bad, or on whether it is safe or unsafe. There is no scientific evidence that GE foods pose safety issues any different from non-GE foods.

I have to admit, when I hear critics argue that GE foods are dangerous, I feel the same way I do when I hear people deny climate change, argue against vaccinating children, or say they aren't scientists when asked if they believe in evolution. So from a science or health perspective, there doesn't seem to be a compelling government interest in forcing a food company to label a food that is made with or without genetic engineering.

That being said, if the State of Vermont wants to require food companies to put such information on their food labels, is there a

compelling Federal Government interest in prohibiting them from doing so? Perhaps not. But I do think there is a compelling Federal interest in preventing any labeling that is false or misleading consistent with current law.

If mandatory GE labeling were inherently misleading, for example, because it implied that GE food was somehow inferior to normal food, that would seem to be a compelling reason to prohibit it. I am so far not convinced that the requirement imposed by Vermont would be inherently misleading. I would be interested in hearing from our panelists today on that question.

Now, there may be a compelling Federal interest from preventing companies from having to face 50 different food labeling regimes. In fact, it was a fear of such unworkable set of State food labeling requirements that led food companies and restaurants ultimately to support Federal requirements for nutrition labeling. To avoid a 50-State problem, there are two obvious solutions: We can band right-to-know labeling requirements outright, or we can replace them with a uniform Federal mandatory GE labeling requirement, but I personally think a voluntary labeling approach is more appropriate for GE labeling. I also don't believe in preempting State law without good reason.

So I think this is an important hearing, Mr. Chairman. I really -- there are a number of competing issues to weigh before moving forward on legislation, and I hope we will take our time in considering them. I yield back.

Mr. Pitts. The chair thanks the gentleman.

That concludes the opening statements of the members. As usual, all written opening statements of the members will be made a part of the record.

We have one to panel today. I will introduce them in order of their presentations. First, Mr. Rick Blasgen, president and chief executive officer of the Council of Supply Chain Management Professionals; secondly, Mr. Todd Daloz, assistant attorney general, Office of Vermont Attorney General; thirdly, Mr. John Reifsteck, chairman of the board and president of GROWMARK, Inc.; then Greg Jaffe, Biotechnology Project director, Center for Science in the Public Interest; and, finally, Mr. Val Giddings, senior fellow, Information Technology & Innovation Foundation.

Thank you, all, for coming. Your written testimony will be made part of the record. You will each be recognized for 5 minutes to summarize your testimony.

You have a series of lights on the table; green, yellow will go on with one minute left, red, we will ask that you please wrap up. And if you want to take less than 5 minutes, that is okay. We are going to have to run a tight gavel this morning.

So, Mr. Blasgen, you are recognized for 5 minutes for your summary.

STATEMENTS OF RICK BLASGEN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COUNCIL OF SUPPLY CHAIN MANAGEMENT PROFESSIONALS; TODD W. DALOZ,

ASSISTANT ATTORNEY GENERAL, OFFICE OF THE VERMONT ATTORNEY GENERAL; JOHN REIFSTECK, CHAIRMAN OF THE BOARD AND PRESIDENT, GROWMARK, INC.; GREGORY JAFFE, BIOTECHNOLOGY PROJECT DIRECTOR, CENTER FOR SCIENCE IN THE PUBLIC INTEREST; AND L. VAL GIDDINGS, SENIOR FELLOW, INFORMATION TECHNOLOGY & INNOVATION FOUNDATION.

STATEMENT OF RICK BLASGEN

Mr. Blasgen. Thank you very much, and good morning, Chairman Pitts and Ranking Member Green, and members of the subcommittee. My name is Rick Blasgen. I am president and chief executive officer of the Council of Supply Chain Management Professionals representing well over 8,500 members globally. Prior to joining CSCMP I was senior vice president for Integrated Logistics and ConAgra Foods, and in similar positions at Kraft Foods as well as Nabisco. I have been president and CEO of CSCMP since 2005. In this capacity, I serve as the primary issue expert relating to logistics and supply chain management.

I want to thank you very much for inviting me to explain the importance of national labeling frameworks. I will focus my remarks on the costs associated with Vermont's labeling mandate, a law that goes into effect on July 1, 2016, and imposes incalculable burdens on our Nation's largest manufacturing sector.

Grocery manufacturing is a high-volume, low-margin business, and any increase in cost, even by a matter of cents, can substantially affect a manufacturer and its supply chain. The primary cost centers

in the supply chain are the cost of source materials, capital, operations, labor, storage, distribution centers, transportation, maintenance, and, of course, fuel. The supply chain for a processed food begins with the raw commodity. The supplier sells the raw food to a manufacturer, and the manufacturer stores the food at the plant until it is processed into its ingredient form. That ingredient may be the final product, such as in cooking oils, or it may be used in products containing multiple ingredients.

Finished goods are sent to a manufacturer's distribution center where they are stored until ready for transport into the customer's distribution center. The customer may be a national or regional chain or a regional distributor that sells to other retail outlets. The customer stores the finished goods at its center and distributes them to its retail outlets where they are sold finally to consumers. A manufacturer typically plans each stage of the supply chain to ensure it is handled as efficiently as possible. The core unit in a grocery manufacturer supply chain is the stock keeping unit, or SKU. This SKU is simply a unique identifying number that applies to each distinctly packaged and marketed product.

A single national SKU facilitates efficient storage, distribution, and inventory tracking. Manufacturers do not create different SKUs for different States. Vermont's legal time clock is ticking, and manufacturers will have to determine which products contain ingredients likely derived from GE crops. Companies will navigate Vermont's exemptions, such as foods bearing USDA-approved

labels. Restaurant food is also exempted, and this could impact segregation and transportation costs. Each exemption provides more complexity to the supply chain, less clarity for consumers, and more red tape for manufacturers.

Manufacturers will have to make new labels with State-approved text and design. Labeling materials are one of the largest expenses affecting a manufacturer's bottom line. And the inventory left over when a manufacturer implements a labeling change must be discarded, which is a waste not only of materials, but the money the manufacturer may have spent in anticipation of using that stock. Waste and recycling charges will also apply.

At the processing facility, let's assume it takes 5 minutes to stop and start to accommodate the new package. This reduces production time as the companies pay for the lost time and labor, energy, and capital costs of depreciation.

Now assume a single plant with 10 lines running simultaneously, each with one Vermont run per payday, over 300 days in the year. That makes 500 lost hours per year, or about 3 weeks of idle time. These assumptions are meant for illustration with respect to only one single plant. Large manufacturers may have dozens of plants, and each plant may have dozens of production lines. The Vermont products would then need to be segregated from the other products and be placed on their own pallets. Pallets take up space wherever they go. They will take up space in warehouses, on trucks, and at customer distribution centers. These Vermont pallets must have sufficient space to reduce

the risk of product being shipped to the wrong State; namely, product not intended for Vermont ending up on shelves there.

Manufacturers would have to renovate or purchase new storage space or real estate. Additional pallets means additional trucks will be needed to transport products to customers. The trucks are capital investments with ongoing maintenance needs and associated labor costs. And this is just on the manufacturing end of the supply chain. The products intended for Vermont must then go through distributors and/or retailer supply chain systems who purchase the product and thus, then, own it exponentially increasing the costs to service Vermont and also increasing the chance for error.

Despite best efforts, mistakes will be made. One manufacturer calculates that 7 to 10 percent of non-Vermont product could be shipped to Vermont in error. That manufacturer will face penlites of $1,000 per day per product. For a large company that has 2,500 SKUs, could translate to 175,000, or $250,000 in daily fines. Multiplied by thousands of products among multiple companies, these fines quickly reach tens of millions of dollars. Products would long shelf lines greater than 18 months that are currently in distribution or already on the shelves will be subject to fines.

Mr. Chairman, from a supply chain logistical perspective, this law really is a nightmare. U.S. consumers benefit from the safest and most efficient food supply in the world. I urge Congress to protect our national food system from an unnecessary patchwork of State-labeling schemes that will hurt American employers and do nothing

to protect consumers.

I thank you very much for your time.

[The prepared statement of Mr. Blasgen follows:]

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Mr. Pitts. The chair thanks the gentleman.

I recognize Mr. Daloz for 5 minutes for an opening statement.

STATEMENT OF TODD DALOZ

Mr. Daloz. Thank you. Chairman Pitts, Ranking Member Green, Congressman Welch, and members of the subcommittee, thank you for the opportunity to testify today. As you are well aware, the State of Vermont has been deeply involved in the labeling of food produced with genetic engineering, passing a law requiring such labeling, which will take effect a little over a year from now. Vermont's Attorney General, Bill Sorrell, is tasked with the enforcement of this law and has adopted regulations implementing the law. My name is Todd Daloz, I am an assistant attorney general, and I am testifying today on behalf of Attorney General Sorrell about the draft legislation and the discussion draft of the H.R. 1599 and to discuss and answer questions about Vermont's experience in labeling foods produced with genetic engineering.

In my oral testimony, I want to highlight two main points as we begin. The first is the role of States within our democracy and the importance of the State and the Federal Government in sharing responsibility for protecting consumers.

What is most troubling about the proposed legislation, both the draft in front of you and the discussion draft, is that it would cut short and prematurely end State efforts to label foods before Vermont's

law even takes effect. It also offers no substantive replacement for the regulations Vermont has in place.

Vermont does not oppose all of the Federal regulation in this area, nor even all elements of the bill. What is important to Vermonters is the ability to have accurate factual information in front of them in order to make informed decisions about their food purchasers.

And this is a historical design of our democracy. States, in the famous words of Justice Brandeis, have long been the laboratory of democracy, experimenting with social and economic policy in manners that allow them to test how policy works and determine the best course. And there is a robust history of States leading the way towards ultimate Federal regulation.

Two simple examples that come to mind, the first is fair credit reporting. Vermont and other States were among the first to require credit reporting to consumers. And as we all know, Congress ultimately moved forward with that, making it national law.

Another example that was referenced by Mr. Blasgen is menu labeling -- I believe it was Rick -- menu labeling, which New York began requiring the labeling of certain nutrition facts at chain restaurants. Vermont and other States followed suit, and recently the FDA has implemented the same informational labeling requirement nationwide.

Vermont's Act 120 is no different than that. It is the State taking a lead role in requiring a factual disclosure, a simple, four-word factual disclosure on the back of the package, stating

nearly, produced with genetic engineering. It is not a warning. It is a notification. And it is a notification that is there to provide consumers with accurate information so, as the Vermont legislature found, they can make intelligent choices about their consumption.

And that is the second point I want to talk about. Trusting people to make their own decisions is a fundamental American principle. And what Act 120 does is trust consumers to make their own decisions. It trusts consumers to be intelligent and make intelligent choices.

There was tremendously strong demand in Vermont for this labeling bill. There is, in fact, strong demand across the country for such labeling. The legislature found that giving consumers this information enables them to make a choice similarly to calorie counts, to cartoon figures on the front of the package, to flavor. This is another piece of information that consumers want in order to make a decision about how they will -- whether and how they will purchase their food.

And it is important that there is no State oversight of what information is disclosed. It is nearly the presence of materials that have been produced with genetic engineering. This is not the State determining what is right for consumers to know. This is the State simply providing information for consumers to make decisions on.

Lastly, I want to briefly touch upon the fact that Vermont's law also has flexibility in it. It doesn't mandate exactly where the disclosure has to be placed. It doesn't mandate what -- the size of the font. It provides a ceiling -- excuse me -- a floor for where the

font is and where the disclosure should go, and that kind of flexibility, I think, is important as manufacturers and retailers begin to comply with Vermont's law.

So I want to thank the committee and Chairman Pitts and also Representative Pallone for inviting me here today, and I am happy to answer questions.

[The prepared statement of Mr. Daloz follows:]

******** INSERT 1-2 ********

Mr. Pitts. Thank you.

Mr. Reifsteck, you are recognized for 5 minutes for your summary.

STATEMENT OF JOHN REIFSTECK

Mr. Reifsteck. Thank you. Chairman Pitts, Ranking Member Green, and members of the subcommittee, thank you for holding today's hearing. I am John Reifsteck, a grain farmer from Campaign County, Illinois, and chairman of the board OF GROWMARK, a regional agricultural cooperative base in Bloomington, Illinois. Our co-op is owned by local member cooperatives and provides input such as seed, fuel, plant nutrients, crop protection products, and grain marketing services.

I appreciate the opportunity to testify before you today on behalf of GROWMARK, the National Council of Farmer Cooperatives, and the Coalition for Safe and Affordable Food. I live in the farmhouse my grandfather built 101 years ago. The farm has sustained three generations of my family. My father and grandfather were good farmers, but the tools and the practices they used in our farm back then would not be good enough to meet the needs of our country and our world today. Instead, each generation of my family has used new technology to build on successes of the past.

Global Positioning System, automatic steering, and biotechnologies are examples of new tools available today that future generations will use to build a better agriculture tomorrow.

I know firsthand the value biotech crops provide for my operation. My farming experiences illustrate this. In the past, I have abandoned parts and fields that were riddled with insect damage or overcome by weeds. Harvesting those fields are not just an economic loss, but it presents a real risk of fiscal harm to my farm employees as did myself.

These are memories I won't forget. They represent past challenges that biotechnology has helped me overcome. I am very proud to say that GROWMARK has been a key part of the solution to these problems. Our affiliated companies and farmer owners have been directly involved with use of biotechnology crops for a number of years. GROWMARK was at the forefront of providing this technology to producers when it first introduced in the 1990s. I have successfully used biotech feeds in my farm since it became available. I believe the rapid adoption of these products reflects an understanding of their value and real-world benefits.

Farmers also realize that crops they grow today benefiting from biotechnology are just as safe and healthy as the crops grown by their parents and their grandparents. This is important to farmers and is providing our customers with safe quality products as our number-one priority.

Biotechnology provides substantial benefits to producers, to the environment, and to consumers. To reverse course now would wreak havoc amongst America's agricultural industry. Make no mistake, that is what a patchwork of biotech labeling laws would represent, an unworkable step backward. A growing concern among farmers and co-op

managers is this patchwork would not stop at the State level, but perhaps could extend down to the individual cities, counties and even townships. Food and agricultural companies, including cooperatives like GROWMARK, would have no choice but to comply with hundreds, perhaps even thousands, of varying, if not directly conflicting, labeling laws. A near impossible task for us.

The Safe and Accurate Food Labeling Act introduced to this Congress by Representatives Mike Pompeo and G.K. Butterfield would ensure that the labeling of biotech ingredients of food products is based on consistent standards using sound science. It would allow those who wish to label their products as GMO free to do so by utilizing a verified process offered through the USDA, very similar to that of the Department's successful certified organic program.

I encourage members of this committee and Congress to support the Safe and Accurate Food Labeling Act. This bill would ensure the consumers are provided with accurate and consistent information about the food they purchase while preserving the choices available to grocery shoppers and to our Nation's farmers.

In conclusion, I strongly urge the subcommittee to support a voluntary, uniform, and national standard for labeling food products derived from biotech ingredients. The impact of not taking action would have a devastating effect on food and agricultural companies across the country, as well as farmers whose livelihoods depend on the freedom to conduct their business using the best methods available to them.

Thank you, again, for the opportunity to testify before this committee.

[The prepared statement of Mr. Reifsteck follows:]

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Mr. Pitts. The chair thanks the gentleman.

Now I recognize Mr. Jaffe, 5 minutes for your summary.

STATEMENT OF GREGORY JAFFE

Mr. Jaffe. Chairman Pitts, Ranking Member Green, I want to thank the House Committee on Energy and Commerce and the Subcommittee on Health for having today's hearing and inviting me as a witness on behalf of the Center for Science in the Public Interest.

The issues surrounding the proper role of the Federal Government in the oversight of genetically engineered crops and the labeling of foods made with or without ingredients from those crops are issues of obvious public concern that Congress needs to address. It is critical that the Federal Government ensures that all GE crops are safe and that whatever information is provided to consumers about foods and ingredients made from those crops be truthful, neutral, and nonmisleading. I am here today as the director of CSPI'S biotechnology project. CSPI is a nonprofit consumer organization established 44 years ago. CSPI works primarily on food safety and nutrition and publishes our nutrition action newsletter to educate consumers on issues surrounding diet and health. CSPI receives no funding from industry or the Federal Government.

CSPI has long advised consumers, journalists, and policymakers that foods and ingredients from currently grown GE crops are safe to eat. The current crops have also provided tremendous benefits to

farmers and the environment in both the United States and around the world. CSPI has advocated for improvements in current Federal oversight to ensure safety to humans, animals, the environment, and agriculture.

I will limit my testimony today to the Federal Government's oversight of food and feed safety issues, which are the primarily responsibility of the FDA and directly related to this hearing. FDA ensures the safety of food under the Food, Drug, and Cosmetic Act. Under that law, FDA has established a voluntary consultation process whereby developers of GE seeds can provide FDA with safety data and their analysis of those data to show FDA that the crop is substantially equivalent to its conventional counterpart.

When FDA consultation is completed, FDA responds that the seed developer by stating in a letter that FDA has, quote, "No further questions about the developer's determination that the GE crop is substantially equivalent to its conventional counterpart."

CSPI believes that FDA should determine the safety of all GE food crops before foods from those crops enter our food supply. FDA should review the safety data submitted by the developer, conduct its own analysis of that data, and provide the developer and the public with its opinion on whether foods from GE crops are safe to eat by humans and animals. That would be consistent with how most other countries ensure the safety of GE crops.

H.R. 1599 goes only a small step towards what we believe is the proper role of FDA to ensure the safety of GE crops and the foods made

from them. H.R. 1599 would codify the current FDA voluntary consultation process. It does not require, however, FDA to provide its opinion on each particular GE crop safety. In addition, it does not put the burden of proof on the notifier to satisfy FDA that the GE food crops or foods and ingredients made from the crops are safe before marketing the GE crop.

The recently announced amendments to H.R. 1599 does not correct those major deficiencies and does not grant FDA any new legal authority to ensure that GE food crops are safe. Instead, it amends the Plant Protection Act to state that a GE crop that has been granted nonregulated status under USDA regulations cannot be marketed in interstate commerce until the USDA has received from the developer the "no further questions" letter it receives from FDA. FDA would still not need to make its own independent determination that the GE food crops meet the safety standard, and the amendment does not provide FDA with the needed authority to prevent foods or ingredients from GE crops from entering the food supply until the notifier satisfies FDA of their safety.

H.R. 1599 and the amendment provides USDA's agricultural marketing service with unique legal authority to establish a certification and labeling system for food manufacturers who wish to label foods that either contain or do not contain ingredients from GE crops. CSPI supports the Federal Government's oversight of GE and non-GE labels to ensure they are truthful, neutral, and nonmisleading. There is no standard definition of what it means to be a nonGMO, no

standard way to describe that claim in a neutral manner, and no way for the consumers to know if that claim is accurate.

While CSPI believes that there is no benefit to consumers from avoiding foods that contain ingredients from GE crops, CSPI understands that some consumers do want to buy such foods. The system that would be implemented at USDA if Congress passed H.R. 1599 would go a long way towards uniform labels with verifiable, nonmisleading claims.

Therefore, CSPI endorses that portion of this legislation. I thank the committee for allowing me to testify, and I am happy to answer questions.

[The prepared statement of Mr. Jaffe follows:]

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Mr. Pitts. The chair thanks the gentleman. Right on time.

The members are voting on the floor. We still have 12 minutes. So we are going to continue the witnesses' testimony and some questions before we recess to go to the floor to vote, and then we will come back.

Mr. Giddings, you are recognized 5 minutes for your opening statement.

STATEMENT OF L. VAL GIDDINGS

Mr. Giddings. Thank you, Mr. Chairman, Mr. Green. I very much appreciate the invitation to testify before you this morning on behalf of the Information Technology & Innovation Foundation on the safety and appropriate labeling for crops and foods improved for biotechnology. ITIF is a nonpartisan research and educational think tank whose mission is to formulate and promote public policies to advance technological innovation and productivity. We focus on innovation issues. We have long been involved in the conversations about agricultural biotechnology and how best to ensure its widely shared benefits to humans and the environment are not burdened by ill-considered policies, especially those based on fear and misunderstanding.

I very much appreciate the opportunity to comment on these issues here today and thank, in particular, Mr. Pompeo for proposing this legislation, which I think is approaching perfection as a solution to some of the problems we face in this area on public policy.

The introduction of crops improved through biotechnology, often called GMOs, has been one of the greatest booms to humanity in the last 10,000 years of our history. No other innovation in agriculture has been taken up more widely or more quickly, and none other has delivered greater benefits to humans, our livestock, and companion animals and the environment. These crops have been grown over the two decades on over 4 billion acres worldwide. Last year alone, they were grown on 448 million acres by 18 million farmers in 28 countries legally, including a lot more where they were grown by farmers without government sanction where the farmers could get access to the seeds.

The farm gate value added has totaled more than $120 billion. And the environmental impacts of agriculture have been reduced, on average, by 18 percent. This has entailed a 37 percent reduction in the use of pesticides, a 22 percent increase in yields, and a 68 percent increase in farmer income.

The single most important element in the equation of credit for this avalanche of global benefits is the science-based regulatory process adopted by the United States in 1986 for which you and your colleagues and your predecessors bear an enormous amount of credit.

The bipartisan endorsement supporting the science-based approach to regulation that has been in place in the United States for the past four decades has been absolutely essential and made it possible for this technology to be developed, adapted, and disseminated. The intention of H.R. 1599 to extend this legacy of bipartisan support for science-based regulation is important as special interests seek to

undermined its credibility and authority with false claims and ill-considered policy proposals at every level, particularly at the State level. Congress clearly has authority to address these issues and should formally preempt State level actions as the Constitution directs in Article 1, Section 8, Clause 3, the interstate commerce clause.

I am less enthusiastic and, indeed, would advise against one provision before you in this legislation, which would change the nature of the FDA safety review process for bioengineered foods by making it mandatory. It widely acknowledged that the biotech-derived foods on the market today are safe, that they have all gone through this review process, the review process has worked and is working well, does not need any fixing; there are no safety issues outstanding, which it fails to address.

I know that there are those who favor making this process mandatory, but if Congress were to take that step, it would, for the first time, step away from the science-based regulation that has served us so well for decades. I say this because the term "GMO" is an artificial construct, and it does not represent a meaningful class of items deserving of special, much less discriminatory, regulatory status or scrutiny. That category further bears no meaningful relation to hazard or risk. GM is a process. It is not a product. Provisions with FDA regulations on labeling already in place mandate consumer information about the contents of the foods that they buy and consume.

So I would enter a plea that as you consider these issues, please think carefully about what will help accomplish your objectives and what will not. Making it clear to the States that labeling is a Federal responsibility, that is something that would be helpful. Actions that some will construe and represent to be an acknowledgement that there are safety issues or concerns where, in fact, there are none, would not be helpful. Thank you for the opportunity to speak to you this morning, and I am happy to answer any questions.

[The prepared statement of Mr. Giddings follows:]

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Mr. Pitts. The chair thanks the gentleman. The chair advise the members, there is still 7 minutes left to vote, but some 382 members have not yet voted.

So I will begin questioning and recognize myself 5 minutes for that purpose.

My first question is for each of you. Today's hearing is not the first hearing this subcommittee has held on this topic. Previously, the FDA has stated that their current consultation process has provided appropriate oversight of new foods derived from genetically engineered plants. FDA testified before this subcommittee last December that the consultation process is working well and provides for rigorous food safety evaluation of such foods. I would like to ask each of our witnesses, do you agree with the agency's assessment? Yes or no?

Mr. Blasgen?

Mr. Blasgen. Yes.

Mr. Pitts. Mr. Daloz?

Mr. Daloz. I don't believe I have a basis for agreeing or disagreeing, but I trust the agency.

Mr. Pitts. Mr. Reifsteck?

Mr. Reifsteck. Yes.

Mr. Pitts. Mr. Jaffe?

Mr. Jaffe. No.

Mr. Pitts. Mr. Giddings.

Mr. Giddings. Absolutely yes.

Mr. Pitts. All right, thank you.

FDA also testified in December that there have not been any material differences identified between genetically engineered ingredients and those derived from traditionally-bred crops. Again, would each of you please answer, yes or no. Do you have any evidence to the contrary?

Mr. Blasgen?

Mr. Blasgen. No.

Mr. Pitts. Mr. Daloz?

Mr. Daloz. No.

Mr. Pitts. Mr. Reifsteck?

Mr. Reifsteck. No.

Mr. Pitts. Mr. Jaffe?

Mr. Jaffe. No.

Mr. Pitts. Mr. Giddings.

Mr. Giddings. There are some examples where there are material differences as with cooking oils that have been modified to be more heart healthy. But where those have occurred, they have still been reviewed by FDA; they have passed the safety reviews, and the differences are indicated on the labels.

Mr. Pitts. Thank you.

Finally, FDA testified that there is scientific consensus about the validity of the research and science behind the safety of foods derived from genetically engineered plant varieties. Do any of you disagree with that?

Do you disagree, Mr. Blasgen?

Mr. Blasgen. No.

Mr. Pitts. Mr. Daloz?

Mr. Daloz. No.

Mr. Pitts. I am sorry. I couldn't hear what you said.

Mr. Daloz. No.

Mr. Pitts. Mr. Reifsteck?

Mr. Reifsteck. No.

Mr. Pitts. Mr. Jaffe?

Mr. Jaffe. For the current crops that have been grown and are being grown, I would answer no. But for each future crop, we need to look at those on a case-by-case basis.

Mr. Pitts. Mr. Giddings?

Mr. Giddings. I am not aware of any area in science where the consensus on safety is stronger than in this field.

Mr. Pitts. All right. Mr. Giddings, can you explain what additional testing the Department of Agriculture conducts on new plant varieties used in food before they are commercialized?

Mr. Giddings. Well, the USDA does not necessarily do testing for food safety per se. That is the province of FDA. USDA does extensive analyses of a vast and broad amount of data relevant to safety and potential impacts for U.S. agriculture and the environment. These are -- the data that is submitted by applicants comes in response to their filling out APHIS' Form 2000, which lists a series of questions relevant to the safety of these crops on which the USDA wants data. The amounts of data provided are voluminous. They go far beyond, in

fact, what regulators need to know to assess the safety of these crops. These crops have been examined in more depth, in more detail, in advance for safety than any others in human history, and their record of safety is unblemished.

Mr. Pitts. All right.

Mr. Giddings, or any of you, I have heard from a number of constituents who insist, despite this evidence to the contrary, that GMOs are dangerous to their health and are harming the environment. Why has this sentiment recently proliferated? Who would like to speak to that? Mr. Giddings?

Mr. Giddings. Well, Mr. Chairman, there is a -- there are very few issues in our lives to which we are more emotionally attached than food. And the idea of somebody messing around with our food supply is inherently one of concern. And folks who have issues with food, their concerns are heightened. And there is a very well-funded campaign of special interests who have adopted raising unwarranted fears in this way as their marketing tactic through which they seek to expand their market share. This campaign has been funded massively and executed across the United States and around the world for years, and they have succeeded dramatically in shaping the public view on these issues to create an appearance of safety issues where, in fact, they are absent.

Recent surveys have shown that the difference in opinion between the public and between the scientific community on these issues is wider than on any other major public policy issues before us today, and this

is the result of an ongoing propaganda campaign designed to raise fears and mislead consumers, and this mandatory labeling push is an integral part to that.

Mr. Pitts. My time has expired.

We still have a minute and a half to vote. But 288 members haven't voted yet, so the chair recognizes Ranking Member Green for 5 minutes of questions.

Mr. Green. Thank you, Mr. Chairman.

I want to thank our witnesses testifying today on GMOs.

Dr. Giddings, one of my concerns, are you aware of any instance where a GMO crop caused an adverse impact on human or animal health? And, frankly, why don't we start with you and we can go down the list.

Mr. Giddings. There are none, sir.

Mr. Green. Mr. Jaffe?

Mr. Jaffe. I am not aware of any, but when you genetically engineer a crop, what you are doing is adding some DNA that might produce a protein. And we do know that some proteins can be allergens to humans. So I do think we need to check those to make sure for that example does not occur for a new genetically engineered crop.

Mr. Green. Would the bill that we are discussing today correct that with the authority given?

Mr. Jaffe. So FDA looks at data from the companies on a voluntary basis concurrently, and H.R. 1599 would make that process mandatory. What I think is missing is FDA giving its opinion on the safety of that food.

Mr. Green. Okay. Mr. Reifsteck?

Mr. Reifsteck. In my farming operation, actually, GMOs have increased the safety of my farming operation, because they have allowed us to substitute GMO technology for other products that are more dangerous for me to use on my farm.

Mr. Green. Mr. Daloz, anything to offer from the Attorney General's Office?

Mr. Daloz. I am unaware of any such studies.

Mr. Green. Mr. Blasgen?

Mr. Blasgen. No.

Mr. Green. Mr. Giddings, are you aware of a situation where an unknown consumption of GMO in grain has caused adverse health reaction? Again, to all five of our witnesses.

Mr. Giddings. There are none on the record. And on the issue of allergenicity, that is one of particular concern to me because my son has a life-threatening peanut allergy. And I can tell you, Congressman, that the only foods that are reviewed before they are introduced to the market for allergenicity, the only food so reviewed are biotech derived.

Mr. Jaffe. I am not aware of any harm.

Mr. Blasgen. I am not aware of any.

Mr. Daloz. I am not aware of any harms, but I am aware that consumers have deep concerns about that issue.

Mr. Green. And I know the concerns, and I think the legislation would probably would move it forward to help with some certainty

including FDA oversight.

One of my other questions, Mr. Reifsteck, and also -- can you explain how the State-by-State patchwork would affect farmers and co-ops, and also Mr. Blasgen, then I will start with Mr. Reifsteck first.

Mr. Reifsteck. Well, it would -- certainly, having to fulfill all the requirements of every State is a difficult, time-consuming, and expensive proposition. As you think about how we grow crops in the United States, we grow corn; we grow soybeans. If we have to identity preserve those crops to make sure they fit into a marketplace, for example, nonGMOs, that adds tremendous amount of time and expense to the production of those crops because we have to shepherd those all the way from the seed to my farm, to the end user, and that will add cost and expense.

Mr. Blasgen. I will add also manufacturers typically produce products for the Nation through a series of distribution networks. That product is shipped, then, into the retail network and then finally to the consumer shelf where its purchased. So the right to know, the choice is very important, that is why clear national standard is so critical to the manufacturing community.

Mr. Green. It would seem to be the same thing on the labeling, because I don't think we will ever have 50 different labeling requirements, but if two or three States do it, then, really that shows we need a national standard.

Mr. Blasgen. Right. The level of complexity with that type of

labeling would be an incalculable burden on manufacturing.

Mr. Green. Okay. Mr. Chairman, I thank you. Appreciate it.

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[11:03 a.m.]

Mr. Pitts. The chair thanks the gentleman.

Time has expired on the floor vote, so we will come back as soon as we vote. There are two votes.

And the committee stands in recess for the floor vote.

[Recess.]

Mr. Pitts. The time of the recess having expired, we will continue with the questions.

And, at this point, the chair recognizes the gentleman from Kentucky, Mr. Whitfield, 5 minutes for questions.

Mr. Whitfield. Well, thank you, Mr. Chairman.

And I want to thank all of the witnesses for joining us today on this very important subject. As a matter of fact, I walked out of this hearing to go back to my office before I went to the floor for a vote, and there were a group of seven people in there who wanted to talk about this bill. So somebody is really organized today, Mr. Shimkus. But it is an important issue.

And, Mr. Jaffe, I would like to just ask for your comments. FDA has made it very clear that their current consultation process is rigorous, involves a number of experts well versed in these methods, and is entirely, to use their words, entirely sufficient for purposes of reviewing the safety of these products.

And so, if the FDA is perfectly comfortable in the process, feels that it adequately protects the public and food safety, why are you arguing for new legal authority that FDA does not believe it even needs?

Mr. Jaffe. So thank you very much for the question.

I agree with you that FDA is clearly the agency in the government with the expertise on food safety. And if there is any agency that should be deciding the safety of GM crops or anything that goes in our food supply, it should be the FDA, and I believe that they do have that expertise. So I agree with you that they have the expertise and they are using that in this consultation process.

But I think this consultation process works only because of the good nature of the companies that are coming forward with these genetically engineered seeds, with that data. They are not required by law to do that. And while there are lots of incentives for companies that are based in the United States to do that, that may not be the case for imported foods that come in from other countries.

So I can give you an example of China, which is now spending $300 million a year doing research on genetically engineered crops. And so they may be soon growing a genetically engineered rice variety, and that rice variety may get turned into different food products that get imported into the United States. And those companies may not think of the voluntary process as mandatory. And FDA may not know about those because they weren't homegrown products that started with research trials in a company or at a university here in the United States. So USDA may not be aware of those.

And so FDA needs those tools to deal with those imports that come into this country. They need that authority to make sure that something is overseeing that those foods are safe.

Mr. Whitfield. So your primary concern is on imports?

Mr. Jaffe. That is one thing, and also on the exports. I do a lot of work in developing countries and around the world, and we do a lot of exports of our genetically engineered crops. And those countries can't look to the FDA decision. There is no opinion from FDA that these are safe.

And so those countries, which -- many of our exporters from the U.S. would like to say to those countries, "Please defer to FDA here. They have shown that this is safe." And many countries in the world do that with lots of other foods or drugs that the U.S. does approve. But, in this case, because there is no approval, they can't do that, and so they have to have their own process.

So it hurts both our exports as well as our imports.

Mr. Whitfield. And, Mr. Giddings, I get the sense that you have an opinion about this, as well. So tell me what you think about it.

Mr. Giddings. Mr. Whitfield, Mr. Jaffe and I have been friends for three decades, and it gives me a great deal of pain to have to disagree with him, but I think virtually everything he said here is mistaken.

There are a couple things that we need to remember. Number one is that FDA has absolute authority to require that all food placed on the market in the United States be safe. That is all the authority

they need. It doesn't matter what process is used; if it is food on the market, FDA has the authority to ensure that it is safe.

The other thing to remember is that this category of GMOs or GM foods or whatever you want to call it is based upon a definition that is fundamentally at odds with the facts as we find them in the real world. This category is an artificial category. There is no meaningful basis to distinguish genetically modified organisms from others that are not, because everything on Earth is genetically modified.

There is no correlation between those products of the most modern plant-breeding technologies and any hazard or food safety risk. These things have an unblemished safety record. We know what causes safety problems in the consumption of food, and it is primarily the presence of pathogens. The only impact that biotech-derived foods are likely to have is to reduce the potential for pathogenic infestations.

So this whole idea that this is somehow a category that is meaningful in a sense that is relevant to risk assessment or safety is just contradicted by the facts, data, and vast experience.

So the FDA is correct; there are no data, there is no experience which suggests that they need additional authorities or that there is a problem here in need of fixing.

Mr. Whitfield. Mr. Reifsteck, do you have a comment you would like to make on this?

Mr. Reifsteck. Well, I am obviously not qualified to talk about the regulatory process, but I will say that the American farmers do

trust our regulatory process. They believe that these products are safe. And they do need a regulatory process that delivers products to farmers in a timely manner to deal with the issues we have to deal with in the future.

Mr. Whitfield. Yeah.

You know, to the attorney general of Vermont, I am certainly not an expert in food safety. I buy a lot of food, though. But anytime you go to a store and you see on a label "this contains such and such" or "this may contain such and such," it almost seems like it is a warning label.

And just, without giving a lot of thought to this -- and that is why we enjoy these hearings -- without giving a lot of thought to it, I mean, I think that is one of the primary concerns I would have about the Vermont law. It almost looks like it is a warning label. And I'm not aware of any scientific evidence that there is any safety issue involved, truthfully.

Would you want to make a comment on that?

Mr. Daloz. Certainly, Congressman. And thank you for the question because I think it is an important distinction to make with regards to Act 120 and the disclosure that Vermont's law requires.

Fundamentally, the placement of that disclosure and the size and the font and things like that -- in looking at the issue of how consumers are interested in this information and how they can best access the information, the attorney general's office intentionally chose to make the disclosure either -- there are choices for industry. It can be

the same size as the serving size disclosure on the nutrition facts panel on the back that the FDA already requires or the ingredients listing there, the goal being to say it has to be easily read and it has to be easily found. Those are the standards.

It is not a clear and conspicuous warning. It is a simple statement of fact on the back of the package, that if a consumer is interested in finding the information, they can look for it, they can read it, and they can make a choice accordingly.

Mr. Whitfield. Mr. Chairman, thank you.

Mr. Pitts. The chair thanks the gentleman and now recognizes the ranking member of the full committee, Mr. Pallone, 5 minutes for questions.

Mr. Pallone. Thank you, Mr. Chairman.

As I said in my opening statement, I don't think genetically engineered foods pose special safety or environmental risks or are otherwise different from non-GEO foods. Therefore, it doesn't seem to make sense to require them to be labeled.

At the same time, unless there is some harm created by allowing Vermont to impose mandatory GE labeling, I don't think we in Congress should be telling Vermonters what to do. And I am hoping the panelists can help me figure this out.

Let me ask a question. One issue I have heard is that requiring GE foods to have a special label would be inherently misleading because it would indicate that there was something different about those foods.

So let me ask Mr. Jaffe: I know CSPI is a staunch supporter of

strong food labeling. What are CSPI's views on that question?

Mr. Jaffe. So, thank you for that question.

CSPI has been a strong proponent of labeling as something very informative to consumers and important, but that labeling has to be truthful, neutral, and nonmisleading. I think that is critical.

We have also been a strong believer that only the most important information should be mandated by the government. So if we are talking about safety information, whether something is an allergen, for example, would be something that, if people don't know about that, they could end up in the hospital about that; or nutritional information, how much salt or how much calories are in it, because that has a direct relationship to their diet.

As you said, genetically engineered foods are -- the current ones that are on the crop are safe. And so there is no safety or nutritional reason to label those.

So, while we support the idea that there should be transparency and consumers who want to find that information about where their food comes from should be allowed to do that, I guess our view is that, in terms of when the government mandates labeling, those should be left for the most critical pieces of information. If we mandate everything on a label, the consumers don't know what is the most critical information.

So, for us, the things that are most critical are either safety information or nutritional information. This doesn't qualify there. So, while we think and we understand the consumers want information

about this, we think that there should be ways to figure that out less than mandatory, government-imposed labels.

Mr. Pallone. All right.

So let me ask Mr. Daloz why you don't think GE labeling is inherently misleading.

I think one of my colleagues on the Republican side said, you know, if you see the label, you are just going to say, well, obviously, this is different or maybe this is bad, even though it doesn't say that.

So why don't you think that the GE labeling is inherently misleading?

Mr. Daloz. Thank you for the question, Congressman. There are two answers to that, and I will start with one that came along very recently.

It is important to remember that H.R. 5099 is not the only challenge that Act 120 faces. The Grocery Manufacturers Association and a number of other trade groups have of course sued the State of Vermont to enjoin the law from ever taking effect. And it is important for this body to remember that there is a bound on what Vermont can do in terms of misleading labels or anything like that --

Mr. Pallone. I know that I am interrupting, because I want to ask another thing.

Mr. Daloz. Okay.

Mr. Pallone. I just want to know why it is not misleading. You have to tell me that.

Mr. Daloz. Well, I will say --

Mr. Pallone. I haven't decided what to do here, okay?

Mr. Daloz. To cut myself shorter, the Federal court just ruled that it wasn't misleading, that it was, in fact, a straightforward factual disclosure. "Ruled" is a strong word, but agreed with Vermont's position and indicated that that was how the court was looking at it.

And, again, that is the fundamental piece of Act 120, that is it is a factual disclosure about a process involved in making the product.

Mr. Pallone. All right.

Let me see if I can get -- I only have a minute. My other main question about the labeling is whether it imposes undue burdens on industry.

So, Mr. Blasgen or Mr. Reifsteck -- we don't have much time -- I understand that neither of you support mandatory labeling. However, why would putting a statement such as "produced with GE ingredients," just that, "produced with GE ingredients," on a label require a need to create new supply chain lines or new distribution lines?

You know, what problems do you foresee with the inclusion of just a small statement like that that doesn't say it is good or bad or anything, just "produced with GE ingredients"?

Mr. Blasgen. I think if it is -- thanks for the question.

I think if it is a clear national standard, manufacturers can deal with it. If we had multiple States requiring different labeling requirements for all of these products, it would be an enormous burden on them to make sure that they got it right.

Manufacturers secure their supply chains. They are very concerned about securing the ingredients and their finished goods right up and to the point of consumption. In particular, this issue is that the manufacturers find themselves liable for product that is outside of their control. So that is one aspect of it.

But they are --

Mr. Pallone. It sounds like you are saying you wouldn't have a problem with that label.

Mr. Blasgen. Well, there clearly is a problem for multiple labeling directions coming from many different entities.

Mr. Pallone. So what if it was one national standard, "produced with GE ingredients"?

Mr. Blasgen. I think if there is a clear national standard, that minimizes the risk in that. I think that they would have an easier time dealing with that type of law versus many, many different types of States imposing laws upon them.

Mr. Pallone. Thank you.

Mr. Pitts. Mr. Reifsteck, do you want to respond?

Mr. Reifsteck. Please.

I think American farmers have demonstrated they can produce very safe and abundant and inexpensive food. We have a history of doing that. And I think if there is a demand for non-GMO foods, American farmers will respond, and they will produce those non-GMO foods.

Our challenge is we don't want consumers, maybe low-income consumers, to have to pay burdensome costs for a supply chain management

program if they are not interested in purchasing non-GMO.

So what this act does, it gives us a pathway. As a farmer, I can decide if I want to grow GMO crops or non-GMO crops. There is a standard that it can enter into the marketplace to give consumers not only the right to know but a right to choose products. And I think that is what is powerful about this legislation.

Mr. Pitts. The chair thanks the gentleman and now recognizes the gentleman from Illinois, Mr. Shimkus, 5 minutes for questions.

Mr. Shimkus. Thank you, Mr. Chairman.

And to my friend, Ranking Member Pallone, my question is going to follow up on yours in two points.

So one is, you know, that the country feeds the world. United States, we feed the world. And I would argue, being from Illinois -- and I am glad John is here -- Illinois and the Midwest is a predominant producer of base commodity products that go around the world.

So, John, these two questions are for you. First of all, you know, the last couple years, we had a pretty big drought. Had we had that drought a decade ago or two decades ago, what would have been the result? And what made our ability to withstand the drought survivable?

Mr. Reifsteck. Well, droughts for farmers are years that burn themselves into your memory. 1993 -- you know, I can go through the list of these droughts. And I tell people the drought of 2012 was different. Because even though we didn't have a good rainfall and because we had very high temperatures, we still had reasonable yields

across much of the corn belt.

And it makes sense, if you can protect a plant from damage to the root system, if you can protect the plant from damage to the stems, if you can protect it from weeds, then it can maximize the use of the water that is available.

Mr. Shimkus. And how do you do that?

Mr. Reifsteck. And you do that with biotechnology.

Mr. Shimkus. Thank you.

Mr. Reifsteck. Biotechnology is the best solution for those problems I just talked about by far. The safest, most efficient way for me to get those kinds of results is by using biotechnology.

Mr. Shimkus. And not just in the United States, but as we assist other countries around the world to feed themselves, it is through the great aspect of science that has allowed us to do this. And, unfortunately, it is an untold story in this debate, because without it and the population growth and the climate changes, we could be in a disastrous position.

Let me go to the next question, because it really talks about an individual producer. So the producer sometimes gets lost in this debate. Okay, so we have now this bifurcated system of labeling and not labeling and a supply chain. Tell me how a corn or a bean farmer in central Illinois who is planting 750 to 1,000 acres, what would you have to do?

Mr. Reifsteck. What would I have to do to --

Mr. Shimkus. To produce two sets of corn going for the same

product, one GMO, one non-GMO.

Mr. Reifsteck. Well, basically, it would start with the selection of the seed. We would have to buy different kinds of seeds. We would have to make sure that we keep the integrity of that seed, that it only is planted in the field. We would have to do --

Mr. Shimkus. You would have to stop the winds maybe?

Mr. Reifsteck. You would have to stop and clean planters out. You would have to make sure that the right products get incorporated into the field.

Mr. Shimkus. You would have to have different silos?

Mr. Reifsteck. You would absolutely have to have different silos.

Mr. Shimkus. Different trucks?

Mr. Reifsteck. You would have to have -- the trucks and the harvesting equipment all would have to be cleaned.

Mr. Shimkus. So when it went to the food processing facility, would they have to have different silos?

Mr. Reifsteck. Absolutely. Absolutely. You would go --

Mr. Shimkus. Two different whole chains?

Mr. Reifsteck. You would go to -- special elevators where we deliver grain would have special handling equipment that was designed to handle that equipment and keep it segregated. So, yes --

Mr. Shimkus. So I know that corn now is sold around the world. And I was kind of surprised that sometimes they are in containers and container --

Mr. Reifsteck. Yes.

Mr. Shimkus. I always think they would be in a big hull, you know, and you just pour all the corn in.

So what if it pulls up to a port and they do a sample and, of the billions of kernels, they find one that is either/or? Then what happens?

Mr. Reifsteck. Then that country or company that finds that kernel will decide whether they want that shipment of corn or not. If it is in their favor, they could decide to take it. Or they could decide to reject it.

Mr. Shimkus. So this is really a big debate that we are having, and I think we need to tread very careful.

I want to thank my colleague for taking the leadership on this, Mr. Pompeo. I mean, he has the wheat story to tell, I am sure, which is very similar to a corn or a bean story. And we haven't even talked about segueing it into the livestock issue and the feed issue and multiple, multiple other derivations that this -- so that is why I am a cosponsor and look forward to working with him as he moves it forward.

And I yield back, Mr. Chairman. Thank you.

Mr. Pitts. The chair thanks the gentleman and now recognizes the gentlelady from California, Mrs. Capps, for 5 minutes.

Mrs. Capps. Thank you, Mr. Chairman, for holding this hearing.

And I thank each of our witnesses for your testimony.

I firmly believe that consumers have the right to make informed decisions about the food they eat. I hope this is a point on which

we all can agree.

And I think there is general agreement that a good Federal standard for genetically engineered, or GE, labeling is preferable to a confusing patchwork of State labeling rules. But there is disagreement about exactly what that standard should be. And I am not convinced that H.R. 1599 will assure consumers that they have the reliable and clear information that they are looking for.

Dr. Jaffe, do you think this bill meets consumer demands for clear, consistent labeling of GE products?

Mr. Jaffe. So I think we don't have a good idea of what consumer demands really are. So there are a number of polls, and if you ask the question, do you want GE labeling, most consumers say yes. If you ask them do they want pesticides labeled, they say yes; if you want antibiotics labeled, they say yes. And as a consumer myself, if somebody offered me more information, why would I say no to that?

But there is a Rutgers poll where they asked open-ended, what new information would you want on the label, and I believe it was 7 percent who said GM labeling. And, again, when they asked people what do they want for all of those different things I just mentioned, everybody said 70 percent for each of those.

So I guess I am not convinced that there is an overwhelming number of consumers. And I think most of those polls show -- the Rutgers poll, which I think is a good, independent poll -- and I am happy to submit that to the committee.

Ms. Capps. That would be great.

Mr. Jaffe. -- that two-thirds of consumers haven't even had a discussion about this in the last 3 years and don't know about it.

So providing information without knowledge about what that information means can inherently be misleading.

[The information follows:]

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Mrs. Capps. Well, could you provide for us, within your purview, the difference between organic, non-GMO, and natural food products? How do these types of products differ from one another? Just to set the record straight here.

Mr. Jaffe. So an organic product, there is an actual definition. So USDA has a definition of what is organic.

Mrs. Capps. Okay.

Mr. Jaffe. And if you follow that definition, then you can call your food organic in the United States. And those have certain procedures that have to be followed, certain rules that have to be followed. It is not based on science. It is based on did you follow the rule.

Mrs. Capps. Right. Okay. That is clear then.

Non-GMO, is that --

Mr. Jaffe. So, currently now, there is no uniform definition of what non-GMO is.

Mrs. Capps. Oh.

Mr. Jaffe. So there are private certifiers, such as the Non-GMO Project, which have their own definition of it. There are other companies that have come up with their own. And there are countries that call non-GMO -- sometimes they use a 1-percent threshold, sometimes they use a 0.9-percent threshold --

Mrs. Capps. Okay.

Mr. Jaffe. -- a host of different things. So that is not uniform.

Mrs. Capps. I understand.

Consumers, however, we all agree, should not be confused about something as basic and fundamental as the food they eat. And consumers should be able to trust that the labeling on the food is accurate and truthful.

And FDA currently has a policy of self-regulation. Producers have the option to voluntarily label their GE foods. However, over 15 years after the implementation of this policy, very few products -- am I right? -- on the market have been labeled as being genetically engineered. Yet we all know there is a great number of GE foods on the market.

The fact is consumers want to know if their food is GE, and they are calling on policymakers to help make this information more accessible. And I think that is why we are looking carefully at Vermont's new law, because it is a reflection of this consumer demand.

Mr. Daloz, can you explain how the Vermont law differentiates between foods that are labeled as, quote, "produced with genetic engineering," unquote, and foods that are labeled as, quote, "partially produced with genetic engineering"? What is the difference there?

Mr. Daloz. Certainly, Congresswoman. And this is part of the flexibility that Vermont's law has built into it.

If a product contains less than 70-percent GE material by weight, then a producer can choose to use the statement "partially produced." Otherwise, the standard statement is "produced with genetic engineering" --

Mrs. Capps. I see.

Mr. Daloz. -- and that has to occur on any product.

Mrs. Capps. Well, I submit that we need to make sure that labels are clear and informative for consumers, and H.R. 1599 falls short of this standard. But I hope we can work together to find the right balance that works for both consumers, as Vermont has done, or is doing, and industry as well.

And, with that, I yield back the balance. Thank you, Mr. Chairman.

Mr. Pitts. The chair thanks the gentlelady and now recognizes the gentleman from Indiana, Dr. Bucshon, 5 minutes for questions.

Dr. Bucshon. Thank you very much, Mr. Chairman.

I just want to say I support the consumer's right to know what is in their food products, but I also think it should be based on science. And I support Congressman Pompeo's legislation.

I know it has been said, but I want to reiterate for the record some quotes from organizations around the world, really, talking about GMO.

American Medical Association: "Our AMA recognizes that there is no evidence that unique hazards exist either in the use of GE techniques or in the movement of genes between unrelated organisms. Bioengineering foods have been consumed for close to 20 years, and, during that time, no overt consequences on human health have been reported or substantiated in peer-reviewed literature."

Natural Academies of Science: "Genetic engineering is one of the

newer technologies available to produce desired traits in plants and animals used for food, but it poses no health risks that cannot also arise from conventional breeding and other methods used to create new foods." They go on to say, "An analysis of the U.S. experience with genetically engineered crops shows that they offer substantial net environmental and economic benefits compared to conventional crops. Generally, GE crops have fewer adverse effects on the environment than on non-GE crops produced conventionally."

And, finally, the World Health Organization: "GM foods currently available on the international market have passed risk assessments and are not likely to present risks for human health. In addition, no effects on human health have been shown as a result of the consumption of such foods by the general population in the countries where they have been approved."

So, that said, as a medical doctor, you know, I was charged with advising patients on therapy -- therapy that works, therapy that doesn't work. And, of course, based on the Internet and other sources, there are all kinds of proposed therapies for cancer and heart disease out there that have been unsubstantiated that patients frequently ask me about.

And so I guess my question to everyone on the panel is, should people like elected officials or other people who are in charge of informing the public, should we buy into what I see is a movement without really substantiated reason to be there in the first place? Or, for example, me, buy into a treatment that is not proven to be effective?

Or should I lead and should I say to my patients or should I say to the general public what the facts are and not buy into unsubstantiated claims?

And what I see honestly is really, for the most part, a political and economic movement -- political because of misinformation and economic because of companies that want their product to be labeled non-GMO so that they can compete with everybody else.

So I will start at the end, and just comment on, you know, what your thoughts are. Should we buy in, or should we inform the public and stand up to what is clearly misinformation?

Mr. Blasgen. Right. As a consumer, I believe we should inform the public, as you say. And I think that everyone here believes there is a right to know and that choice is very much of import here. We care about consumer choice as consumers, but we also want to understand the implications as an industry person on what demands we are going to place on industry and whether it is going to be effective, as well. And, in this case, we don't think so.

Mr. Daloz. I think there is a challenge here, and that is that to disable consumers from accessing information that they are interested in having suggests that the government has a role in controlling information people want --

Dr. Bucshon. I am going to interrupt just briefly. As a medical doctor, should I promote a therapy that I know not to be effective because the Internet says that it is?

Mr. Daloz. I respect the example. What I would say is that

there is no promotion going on in Vermont's law. All there is --

Dr. Bucshon. Well, there will be because people have a misperception that GMO in some way is inferior to non-GMO products. I am just taking the devil's advocate approach here.

Mr. Daloz. Absolutely understood. And I think what consumers do with that information and why consumers want the information is not necessarily the role that Vermont's legislature chose to take.

What Vermont's legislature chose to do, after hearing a lot of testimony and really looking at a lot of different sides of the issue, was to say we are going to provide this information to consumers. It is accurate, it is complete, and we are going to let them do what they want.

Dr. Bucshon. Fair enough.

I want to get the other three in in my last 25 seconds here.

Mr. Reifsteck. I believe Congress' responsibility is to ensure that American consumers have an accurate, fair, and non-misleading system for labeling foods.

Mr. Jaffe. I think it is Congress' role, I think it is CSPI's role and everybody else to provide the facts to consumers out there. I think the current crops that are engineered are safe, and I think generally this is a safe technology, but you have to look at each application on a case-by-case basis.

Mr. Giddings. Congressman, it is important to recognize that Vermont Act 120 and other similar legislation is a direct consequence of attempts to mislead consumers as to the safety of foods that are

derived from crops and foods that are by technology.

I have read every iteration of that law multiple times, and the legislative record is very clear. The findings of fact associated with it put forward a whole host of verifiably false claims about the safety of these foods. And while the State of Vermont, I am completely confident, does not intend to mislead consumers, the folks who pushed them into adopting this legislation and who are leading the campaigns have different -- very different motives.

And, you know, let me give an example of a couple of quotes from them.

Dr. Bucshon. My time has expired. Can you submit the rest of your response to that for the record?

Mr. Giddings. It is in my written remarks, and --

Dr. Bucshon. Okay. Great.

Mr. Giddings. -- to summarize very briefly, you know, the intention of the folks pushing these mandates for information on labeling is directly to mislead consumers as to their safety as a means of growing their market share.

Dr. Bucshon. I yield back.

Mr. Pitts. The gentleman's time has expired.

The chair now recognizes the gentleman, Mr. Butterfield, 5 minutes for questions.

Mr. Butterfield. Thank you very much, Mr. Chairman.

Mr. Chairman, before getting started, I would ask unanimous consent to have two letters inserted into the record, the first one

addressed to Members of the House and dated April 28. It is signed by nearly 400 stakeholders, including the National Federation of Farm Bureaus, as well as the State farm bureaus from Alaska to Florida. It is worth noting that the Vermont Farm Bureau is one of the signers. The letter expresses the support of the 400 signers for H.R. 1599.

I offer this letter.

Mr. Pitts. Without objection, so ordered.

[The information follows:]

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Mr. Butterfield. Additionally, the second one, Mr. Chairman, addressed to Mr. Pompeo and me and dated April 16, 2015, is from 29 biotechnology industry stakeholders and State biotech associations, including the North Carolina Bioscience Organization and the Bio New Jersey Association. The letter expresses, again, support for 1599.

I offer this letter.

Mr. Pitts. Without objection, so ordered.

[The information follows:]

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Mr. Butterfield. Thank very much, Mr. Chairman.

Mr. Blasgen, I apologize for being in and out, but we are multitasking today, and I think you understand that. But thank you so much for being here today, and thank you for lending this committee your expertise in supply chain management.

I have come to understand our Nation's food supply chain is a vast and interconnected web that starts with seed development and ends on the consumer's plate. The complex process of feeding America is staggering. It is easy to appreciate why upending manufacturing processes would cause significant disruptions to the supply chain, ultimately will result in consumers actually paying more for the same food that they buy today.

Number one, considering that you have spent the last 15 years as a supply chain logistics expert, do you believe a Federal labeling standard is in the best interest of both American consumers and our Nation's food producers?

Mr. Blasgen. Yes, I do.

Mr. Butterfield. That is unambiguous. All right. Thank you.

I understand that there are concerns that the cost to comply with the Vermont law could exceed food company sales revenue for products that are actually sold in Vermont.

If companies decide to no longer sell products in Vermont or any other State, as that goes, that has State mandates because it is too costly for them to comply, it is the consumer, not the company, that loses. That is my logic. Would you agree?

Mr. Blasgen. I do. And as I mentioned in my statement, the grocery manufacturers are very high-volume, low-margin, and they do everything they can to keep very efficient and effective manufacturing operations, as well as distribution operations, right up until the time the consumer consumes the product. Securing that supply chain is very important to them, and they do everything that they can to make it the most efficient possible so that we can pass on those savings to consumers.

Mr. Butterfield. What are the practical impacts of different State-by-State mandates on consumers? And why is a national standard in the best interest of consumers, in your own words?

Mr. Blasgen. Right. It would literally mean manufacturing lines all across the country would have to stop and start and stop and start over and over again to change labeling, change packaging, create separate inventories of the same product essentially, ensure that they are segregated so they can end up in the right State. That would complicate things not only in the manufacturing sector but also in the inventory management sector because we would have to ensure those inventories are segregated and tracked as best as possible to ensure they are ending up in the right States. It is very difficult to do that throughout the entire supply chain.

In particular, I will reiterate the fact that the manufacturers have control of only so much of that supply chain, and they turn it over to the retailers and wholesalers, who redistribute that product to stores. And then it is their job to make sure that product ends

up where it is intended.

Mr. Butterfield. Okay.

And now to the other end of the table, Dr. Giddings, and thank you, sir, for coming.

At the December 2014 hearing, one witness said that some food companies label their food as, quote/unquote, "natural" even though it contains genetically engineered ingredients. He said that some consumers thought that was intentionally misleading because they believed exactly the opposite, that genetic engineering is not natural.

While "natural" is not currently defined, the original version of 1599 would have required FDA to do so. The amendment in the nature of a substitute before us today, though, does not.

Would you please share your views on the use of the term "natural"?

Mr. Giddings. This is something that rabbis and Jesuits could use years discussing.

This much I can tell you: It is not clear to me what the term "natural" means when used in foods, because everything that we eat has been modified from the form it took before humans started to cultivate and care for livestock and so forth. So it has all been changed. Even wild fish stocks we have selected over generations and changed their genetic makeup.

But this much I can tell you: that foods derived from crops improved through genetic engineering, so-called GMOs -- the term "GMO" has been defined as something modified in a way that does not occur in nature. But in the process of genetic engineering, we scientists

in the lab are -- we learned how to do these things by observing these phenomena of genetic change happening in nature. These phenomena are widespread; they are found throughout the living world.

The techniques that genetic engineers use in the lab to make these kinds of specific and directed changes with the degree of precision that is unprecedented in the history of humanity, these changes are all changes that we learned how to do by seeing it happen in nature. We use enzymes that we take from nature to make these things happen. If this is not a natural process, I have no idea what a natural process is.

Mr. Butterfield. Thank you, Mr. Giddings.

My time has expired, but you do believe we need a definition for "natural"? Would that be helpful?

Mr. Giddings. If you could come up with a definition, it would be helpful. But I am not sure it is possible.

Mr. Butterfield. Thank you.

I yield back.

Mr. Pitts. The chair thanks the gentleman and now recognizes the gentleman from New York, Mr. Collins, 5 minutes for questions.

Mr. Collins. Thank you, Mr. Chairman.

This is a great hearing. I appreciate the witnesses' comments. And, certainly, I am a big supporter of Mr. Pompeo's bill.

As we move into an area that I like to equate to hydrofracking, the scare tactics, the disinformation, the misinformation, the outright lies surrounding the safety of hydrofracking took on a life

of their own for several years, to the point New York State banned hydrofracking. And, lo and behold, the EPA finally came out with an exhaustive study that said without any doubt that hydrofracking, when done properly, is absolutely safe and does not impose any risks on groundwater contamination. But for 2 years, people were on the Internet showing tap water coming out of the taps and putting a lighter to it and starting it on fire and scaring the bejesus out of the public, that, oh, my God, if that is hydrofracking, you are going to be drinking contaminated water.

I compare that very similar to where we are today on this GMO debate. The opponents of it, like hydrofracking, have gotten out in front and basically said GMO equals bad, GMO equals dangerous. And so now people are at a point where, if they put anything to do with GMOs on their label, the average consumer, from misinformation and disinformation, is going to say, I don't want to buy that. Well, that is a tragedy for America, for the American consumer, and it just is, unfortunately, the facts of the life we live in.

Also, the other issue that I know is problematic is, if every State creates their own labeling standards, if every town and every county, if all 62 counties in New York create their own labeling standard, the types of costs that are going to be passed on to consumers would be mind-boggling.

You know, we have a Cheerios plant just outside of my district, and if every box of Cheerios, you had to create a thousand different boxes because every village, every city, every town, every county,

every State in America decided to willy-nilly pass their own laws, I mean, you wouldn't be able to afford a box of Cheerios.

And, frankly, as the supply and demand chain goes for a very small State with very few consumers, they would just stop selling in that State. You know, Vermont can go do what they want, but somebody might say, based on the cost of serving a very small market, I guess we will just no longer sell our product into that market. That is what consumers seriously need to be worried about.

So I am just very happy that the FDA would be -- we are asking them to do a study on the safety, like we asked the EPA to do a study on the safety of hydrofracking and it came back safe. And I am confident the same study will show that to be the case for GMOs.

And I do think that Congress does have a role to play if there is labeling. We need to be preemptive and cut out the States from willy-nilly, you know, putting out a thousand different sets of regulations. I am a small-government, local-decision-making guy, but this is a place for the Federal Government to step forward.

But an observation and question, perhaps, to Mr. Blasgen: Cornell University, just, again, outside my district, did a study, and the study was: What would be the cost -- now, this is certainly an estimate, but they did an actual data-based study -- to the average consumer in America were these willy-nilly labeling by State, by town, by county, by village to go forward? And it was $500 at the end. They concluded the average family would be paying an additional $500 a year just for these labels on boxes. And $500 is a significant dent for

getting nothing more than, you know, the cost on the producers.

And I just wondered, Mr. Blasgen, have you seen similar studies? Does that make sense? Let's be honest with the consumers; do you want to pay an extra $500 a year?

Mr. Blasgen. I have heard about that study, and I think it would probably even increase depending upon the number of States, the number of products that might be magnified by such labeling laws. The complications, the extra inventory, the extra time associated would be quite substantial when you think about all the manufacturers of food products, all the different items, and all the different labels that potentially could be on all these products.

Mr. Collins. Yeah.

And do you also agree that there is certainly a risk that if a city, town, village, State, especially a small one, decided to pass a labeling law, there would be a fair chance that the supply chain would just simply stop providing that product into that market?

Mr. Blasgen. It is possible. It all comes down to, you know, whether you can make a product, have a healthy margin so the manufacturers --

Mr. Collins. You are going to look at your cost, you are going to look at your return and say, you know what, sorry, just not going to sell it into that market anymore. That is what America is all about, with choice and competition.

Well, thank you all for your comments today. And I look forward to a study showing that GMOs, in fact, are safe.

And, with that, Mr. Chairman, I yield back.

Mr. Pitts. The chair thanks the gentleman.

We are voting on the floor. It just started, so we have 14 minutes left. We will go for a while. Then we will have to recess and come back if there are still questions that haven't been asked.

So, at this point, the chair recognizes the gentleman from Oregon, Mr. Schrader, 5 minutes for questions.

Mr. Schrader. Thank you, Mr. Chairman.

I guess questions for Mr. Jaffe and Mr. Reifsteck: What is the purpose of FDA labeling? What is the statutory requirement? Why do we label food?

Mr. Jaffe?

Mr. Jaffe. So that the consumers have truthful, non-misleading information about material issues that are important.

Mr. Schrader. Mr. Reifsteck?

Mr. Reifsteck. That would be my understanding also. I am not an expert on the science behind the food labeling, but that would be my understanding, yes.

Mr. Schrader. Well, actually, it goes more specific. It talks about nutrition. And the goal is health and safety, obviously, of the American consumer.

I have been listening closely to the discussion. A lot of it just seems like -- I would say our bill covers a lot of the concerns that we are talking about here, which is truth and honesty in labeling.

And I think everyone has responded to the chairman and other

people's questions that there is, you know, currently no evidence that the genetically modified or genetically engineered crops we have to date cause health and safety problems. Our bill provides for, should they do that in the future, they would have to be labeled. This takes into account the fact that we don't know, maybe at some point in time there could be a problem, and FDA could regulate that. I think that is a good thing. I think we all would agree with that at the end of the day.

The bill also -- for the right-to-know folks, in my State, we had a big discussion about genetically modified organisms and GE labeling -- it also provides for the right to know. It provides a mandatory labeling if you are going to claim that your product is, you know, non-GMO. I think that is important. People need to know.

And then there is a process by which FDA and the Secretary can actually establish that. That is good. That allows the consumer to know exactly what he or she is getting.

To the discussion on "natural," there is a section here -- I agree with Mr. Giddings, it would be tough to define "natural." As an organic farmer, you know, with all due respect to Mr. Daloz, who is talking about this, you know, partially produced, 70 percent -- it is like being half-pregnant. I mean, as an organic farmer and as an organic consumer, I want to know, is it organic or is it not?

And right now I think it is important for members of the committee and citizens in our country to know we already have, you know, a bioengineering label to some degree; it is called "organic." You know,

as an organic farmer and, frankly, working on the farm bill this last Congress, we spent a lot of time trying to make sure that that meant something, you know, that it was organic or it was not, and that the USDA and FDA had tools in place to actually make that statement.

I have conventional farming friends that also have organic operations. And, yes, they have to use two separate facilities and stuff; there is a cost to it. But they make, you know, a market play, or it is a personal, philosophical thing that they want to do that at the end of the day. And that is good. The consumer benefits from that.

The most important thing that this bill does, in my opinion, is it defines what a genetically engineered substance, organism is. Because right now there is nothing out there. There is the blogs, there is this hysteria, there is this -- on the other side, the people that say, you know, everything has been genetically modified over time. To some extent, that is probably true.

For the consumer that has a problem with stuff being done in vitro -- which, as a scientist, I would argue is probably safer than traditional breeding, where you get inadvertent side effects that you can't control, where you can control them by just genetically splicing organisms at the end of the day. But those people that are concerned about that, you know, this gives them some certainty this is what this means. It gives the producer some certainly as to what genetically engineered actually means.

And I think it has been clearly stated here that, to have a patchwork of regulatory framework where it sort of means this or it

doesn't mean that, when we have food and produce that not only goes across county lines but State lines and now international lines, I think some sort of national standard is crystally clear and needed.

This allows for those that are concerned about GE from a political or philosophical standpoint, not from a food health or safety standpoint, to get that stuff labeled and before them in time.

I think this bill is a great piece of legislation. It doesn't over-legislate. It gives the consumer the right to know what they need to know, but allows American farmers, American food manufacturers to still produce the safest, healthiest food in the world that, I would point out, has increased yield, reduces tillage, reduces use of pesticides -- many things that some of the very same people who are against any genetically engineered organism really also want at the end of the day.

So I think this is an excellent compromise and would urge the committee to adopt it at the end of the day.

Thank you, Mr. Chairman. I yield back.

Mr. Pitts. Thanks to the gentleman.

And I now recognize the gentleman from Virginia, Mr. Griffith, for 5 minutes of questions.

Mr. Griffith. Thank you very much, Mr. Chairman. I will try to be quick.

Mr. Jaffe, you indicated in one of the answers earlier that you didn't -- and correct me if I got it wrong -- that you didn't see any concerns today about allergens, that none of the foods that are out

there now that have been genetically engineered have allergen problems, but you were concerned about the future.

Can you get me information on that, if I got that information correct from you originally? Was that correct, what I thought I heard you say?

Mr. Jaffe. Yes. That is correct.

Mr. Griffith. Can you get me some information after the hearing in regard to concerns or papers about concerns about future allergens? As a father of a 9-year-old who has a lot of food allergies, I would be interested in that. Would you do that for me?

Mr. Jaffe. Sure.

Mr. Griffith. And, Mr. Daloz, industry is concerned about potential for private actions against manufacturers. Under your law, I believe the law is maybe unclear on that point.

Does Vermont's law block private rights of action against manufacturers and suppliers? I am not going to ask you for an answer today because we are short on time. I am going to ask you if you would get us something on that.

And if the answer is no, what do you intend to do to limit liability when a product, the person who manufactured it really didn't intend for it to ever end up in Vermont but somebody puts it on the shelf there anyway?

And if you could get me an answer to that at a later date, I would greatly appreciate it. I am trying to make sure that Mr. Pompeo gets an opportunity.

[The information follows:]

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Mr. Griffith. Thank you, gentlemen.

And, with that, Mr. Chairman, I yield back.

Mr. Pitts. I now recognize Mr. Sarbanes for 5 minutes.

Mr. Sarbanes. Thank you, Mr. Chairman. I will be shorter than 5 minutes.

I want to thank the panel.

Mr. Jaffe, long time, no see. Thank you for your testimony.

I confess to you, my head is kind of exploding on this, just trying to balance all of these different concerns. So I am still absorbing a lot of the information and perspective related to it.

I take it, Mr. Jaffe, that even though there is a system now whereby the FDA, in effect, says that they think things are okay because they issued this letter that says they don't have any further questions, that you don't view that as an affirmative enough judgment being rendered by the FDA with respect to the safety of the item that is subject to the letter.

Can you just elaborate a little bit more on why you feel that a more proactive, affirmative statement or standard or judgment or opinion on the part of the FDA would make sense in the context of this proposal?

Mr. Jaffe. Sure. Thank you very much for that question.

The FDA letter that comes back at the end of these consultations says -- and I am sort of paraphrasing here but sort of quoting -- it says, "The FDA has no further questions at this time about your determination that you think the food is safe. You are responsible

for safe food." So the developers, Monsanto or DuPont, that is what the "you" would be referring to in that case.

So the public looks at that letter and says, FDA is not saying it is safe; FDA is saying you have to rely on Monsanto's determination that this is safe. And so I think that is a -- may not be an issue of actual safety, but it is an issue of perception of that. So FDA it not giving its opinion at all about that safety.

When you look at -- and the Congressman from Oregon mentioned his State had a referendum on mandatory labeling. There have been four States that have had those referendums. When you ask the consumers -- and almost 50 percent voted for those -- why did they vote for those, they say, "Because we weren't sure these foods are safe. We want to avoid them because we are not sure they are safe."

So the solution to that is not to label at the back end; the solution is for FDA to confirm to consumers that those foods are safe on an individual, case-by-case basis for each individual product. And so I think that is what every other country in the world does in this area before they approve genetically engineered foods. Their food safety authority equivalent to FDA does it.

And what is ironic about it, in the United States, USDA, you can't plant one of these crops without USDA saying they are safe, but we can eat the foods from them without FDA saying they are safe. That is not a product of a policy decision. It is a product of using old laws and fitting new technology into that. And I think --

Mr. Sarbanes. Right. Okay. Well, I appreciate that. I mean,

my sense is you would believe that having that new standard would help address some of the anxiety that people legitimately feel about whether there are safety concerns there or not. And, in so doing, you might lessen the demand for the kind of labeling that Mr. Giddings and others are reluctant to see imposed.

So I don't understand why there is a total departure between the two of you on this topic, because it seems that one would help the other to some degree.

I am going to switch gears, and I am going to try to wrap up.

I gather that the Vermont labeling bill is one that would require the producer, the manufacturer, whatever the right term is here for the person putting the label on there, to indicate that it is partially produced or wholly produced by GE, but that a label saying "may contain GE" is not an option? Or is it if there is no way to determine the origins?

Mr. Daloz. I think that is an important point to make. It is an option. And producers can choose to qualify the "produced with genetic engineering" with the term "may be" if they, after reasonable inquiry, can't determine whether their product is produced with genetic engineering.

Mr. Sarbanes. But if they can determine it, they cannot choose to say "may."

Mr. Daloz. Precisely. It has to be accurate.

Mr. Sarbanes. That, to me, would be a solution to the entire problem in some ways.

In any event, thank you all for your testimony.

I will yield back.

Mr. Pitts. The chair thanks the gentleman.

We are voting on the floor. We have 2-plus minutes left.

The chair recognizes the gentlelady from Indiana, Mrs. Brooks.

Mrs. Brooks. Mr. Chairman, I heard yesterday from Beck's Hybrids, a family-owned pioneer in the biotech world in seed production, who is in strong support of this bill.

And I yield the remainder of my time to the gentleman from Kansas, Mr. Pompeo.

Mr. Pompeo. Thank you, Mrs. Brooks. I appreciate that.

And I thank you all for being here, as well.

Mr. Daloz, you said that you trust people to make their own decisions. In fact, we saw Mr. Welch hold up a container that said non-GMO today under the current law. Would that producer still be able to produce that container after H.R. 1599 passed?

Mr. Daloz. That is not my understanding of H.R. 1599.

Mr. Pompeo. So, he would. Just so -- you understand it incorrectly. Because this is exactly what I wanted to address.

There is nothing in this legislation that denies any food producer any ability to market their product as non-GMO as long as that is a truthful statement and accurate. That proves my point precisely. Chipotle could still sell you a 5,000-calorie burrito that was non-GMO and tell you it was a good idea. As long as it was truthful and accurate, they could continue to do that. And this is exactly what

I wanted to get at.

So you suggested that somehow H.R. 1599 denies anyone the right to know anything. But it doesn't. Can you tell me where in the bill you see that it would prevent someone from doing that?

Mr. Daloz. I don't have the draft directly in front of me. My understanding is that a portion of title 1 of the amendment in the nature of a substitution suggests that it would be misbranding if a product were labeled without following some of the procedures laid out in title 2. I think it is 291(b) and (c).

And my understanding of those is, at the point in time that H.R. 1599 took effect, there would be no State laws that could exist. And there would be up to a year, possibly longer, for the regulations to come into effect, which would essentially mean that, at the point in time H.R. 1599 took effect, it would be a rollback of the status quo today and certainly would eliminate --

Mr. Pompeo. There would be hundreds of thousands of State laws still in effect. There just would be no ability for a State to have mandatory labeling.

There would still be complete freedom for every company in the world that wanted to market their products as being something that was truthful, including non-GMO -- they could continue to do so. There is absolutely no denial of anyone's right to know whether that product is there. And someone who only wants to eat non-GMO ice cream can do so today, and they can do so once we get H.R. 1599 passed.

And so, if I am right about that, you will come join me on the

podium when we celebrate its passage, I assume, and I will look forward to that.

You also talked about there being lots of popularity for this. Has this ever passed by referendum in any State in the United States of America that you know of?

Mr. Daloz. In Vermont, it was passed through the legislature --

Mr. Pompeo. My questions was a yes-or-no question. Has it ever passed by referenda anywhere? When it has been put to the people, have they ever approved what you are proposing?

Mr. Daloz. Not to my knowledge.

Mr. Pompeo. Right. So every time it has been on the ballot, the American people have rejected it. And I think that is important for folks to understand, because there is this idea somehow there is this tidal wave of demand and everyone is screaming for it.

In fact, Mr. Jaffe, a question to you. First of all, I want to say thank you. I have appreciated your counsel through this. You have been reasonable and rational and thoughtful, and I greatly appreciate that. We differ a little bit on the front end. I am happy to try and work with you to get that a little bit better. And I appreciate that.

But you said 7 percent of the people want it. I don't know exactly how many it is. But my bill, in your judgment, it will allow those 7 percent of the people to continue to eat all non-GMO food if they chose and to only purchase products that contained a label that reflected that. Even after this bill came to passage, they could continue to do that, and they could pay the premium that was required,

and life would be good for them.

Is that correct?

Mr. Jaffe. Yes. If the bill was passed, I do think it is important that for foods that are labeled non-GMO, that there is a Federal standard for that. Because right now consumers aren't necessarily getting what they are paying for.

So, again, I would say there is no need for a consumer to want to purchase non-GMO food, but there are consumers who want to do that. I think you do need a Federal standard for setting what that means.

Mr. Pompeo. I appreciate that distinction.

I just want to clarify one thing to clean up something a little bit. Mr. Daloz, you kind of gave an answer that I want to just make sure I have right.

So when the FDA came to testify, Michael Landa testified, he said that the FDA was confident that GE foods in the marketplace today are as safe as their conventionally bred counterparts. I asked Representative Kate Webb, the assistant majority leader in Vermont, that question. She said she agreed with it.

I assume you agree with that statement from the FDA, as well?

Mr. Daloz. I do. I don't have any reason to disagree with it.

Mr. Pompeo. So you agree with it too. Great.

Thank you, Mr. Chairman. And thank you for your consideration and your help with this.

I yield back the balance of my time.

Mr. Pitts. The chair thanks the gentleman.

That concludes the questions of the members who are present. We will have questions in writing that we will submit to you. We ask that you please respond.

I remind members they have 10 business days to submit questions for the record. And that means they should submit their questions by the close of business on Thursday, July 2.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Pitts. Very good hearing. Very important hearing. Thank you for your testimony and your expertise.

Without objection, the subcommittee hearing is adjourned.

[Whereupon, at 12:18 p.m., the subcommittee was adjourned.]