

Viewing cable 05BRASILIA573, BRAZILIAN CONGRESS PASSES BIOSAFETY LAW -- VICTORY

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UNCLAS SECTION 01 OF 02 BRASILIA 000573

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SUBJECT: BRAZILIAN CONGRESS PASSES BIOSAFETY LAW -- VICTORY
FOR BIOTECH CROPS AND STEM CELL RESEARCH

REF: A. 04 BRASILIA 1971

[B](#). BRASILIA 387

[C](#). SAO PAULO 100

[1](#). SUMMARY. On March 2, the Brazilian Chamber of Deputies overwhelmingly passed the Biosafety Law that regulates biotechnology crops and stem cell research. After a year and a half and competing versions in Congress, this was the final vote, and President Lula is expected to sign it into law quickly. The final text represents a victory for biotechnology supporters (notably soybean growers) and a setback for environmentalists and the left-wing of President Lula's Workers' Party (PT). Industry analysts predict the bill will have a large impact on Brazilian agricultural production and exports. Post will follow with septels providing detailed analysis of the law's agricultural and scientific implications.

[2](#). This is the first major piece of legislation passed in the 2005 session of Congress, which is significant because the new Speaker of the Chamber is Severino Cavalcanti, a conservative opponent of stem cell research. Cavalcanti only allowed the bill to come to a floor vote when confronted by party leaders from both sides of the aisle supported by the powerful farmers' caucus. Cavalcanti suffered another setback earlier in the day when growing opposition forced him to pull from consideration his personal priority --a big pay raise for Congress. While overcoming the Speaker's positions on these two measures is good news for the Lula administration, the bills were singular cases, and do not mean that the administration will win every battle. END SUMMARY.

BIOSAFETY LAW - A YEAR AND A HALF IN CONGRESS

¶3. On March 2, by a 352-60 vote, the Brazilian Chamber of Deputies (lower house) gave final approval to the Biosafety Law (PL 2401/03). The Lula administration in November 2003 sent the bill to Congress, and --with the support of leftists and environmentalists-- the Chamber of Deputies quickly amended it to make it more difficult to approve the use of genetically-modified (GM) crops. That version went to the Senate in 2004, where it was rewritten to make it more favorable to the biotech industry (ref A). The Senate version then went back to the Chamber for last night's final vote and was approved without changes. The bottom line is that under the new law, a GoB scientific panel (CTNBio) will have final authority to approve biotechnology products. Agencies more skeptical of biotechnology (notably the Environment Ministry) will have input into the deliberative process but not final authority. Thus, biotech supporters believe that crop approvals will be based on scientific merit rather than political pressures. Because the bill wallowed so long in Congress, in the past two years President Lula has issued special waivers to legalize the GM soy crop via presidential decree. The new law makes future decrees unnecessary. Via septels, post will provide translation and detailed technical analysis of the Biosafety Law.

STEM CELL RESEARCH ISSUE GATHERED STEAM

¶4. Throughout 2003 and much of 2004, debate over the bill focused exclusively on the issue of biotech crops and their safety for humans and the environment, as well as the role of large seed companies (read: Monsanto, ref C). Until recently, the topic of stem cell research was a little-noticed side note. But this morning's headlines in all the national newspapers are variations on a theme: "Congress Approves Stem Cell Research" --accompanied by illustrated articles on potential medical benefits. The stem cell issue gathered steam because of intense lobbying from the medical and patients' rights communities, and more recently because the new Speaker of the Chamber, Severino Cavalcanti, is a bedrock conservative opposed to stem cell research on religious grounds. Cavalcanti had loudly pledged to keep the bill off the floor, but he was forced to back down by an overwhelming alliance of the powerful farmers' caucus (with 110-odd floor votes) and the many Deputies across the spectrum who were convinced of the need for stem cell research. The bill had significant support both in the governing coalition and the opposition, and most of the 'nay' votes came from leftists in the environmental wings.

LULA'S SUPPORT

¶5. President Lula is expected to sign the measure into law quickly. He deployed cabinet members, including Science and Technology Minister Eduardo Campos and Agriculture Minister Roberto Rodrigues, to spend the day in Congress engaged in last-minute arm-twisting. The big loser is Environment Minister Marina Silva who pronounced herself "hurt" by the vote and observed that last year Lula promised he would not support the bill. But the vote comes as no surprise. It has

been widely-known for months that the bill would pass overwhelmingly and early in the congressional session that opened on February 15.

CAVALCANTI AND THE 2005 CONGRESS

¶6. On February 14, Severino Cavalcanti of the conservative Progressive Party (PP) was elected Speaker of the Chamber of Deputies in a surprising vote (ref B). His election over a candidate from Lula's PT party is a potentially serious setback for the administration's legislative agenda. Cavalcanti is an outspoken supporter of conservative causes that seem likely to clash with the priorities of Lula's government. Cavalcanti confidently announced that his first priority as Speaker would be to pass a huge increase in Congressional salaries and office budgets. But on March 2, faced with a rising tide of resistance from within the Chamber as well as opposition from the Senate President, Cavalcanti backed down. "The raise is dead", he announced grimly, "There won't be any raise".

COMMENT - CAVALCANTI'S SETBACKS NOT GOOD PREDICTORS

¶7. March 2 was a productive day in the Brazilian Congress. Not only did the Deputies spike Cavalcanti's proposed pay raise, but they also elected all the committee chairs for the 2005 session and approved the Biosafety Law. Passing with 85% of the floor votes, the Biosafety Law was the first major piece of legislation approved this session. While the Lula administration may be buoyed by the twin victories over Cavalcanti, the two measures are unique and thus are not reliable yardsticks to indicate that the Speaker will be easy to move on future bills. The huge pay raise for Congress never seemed likely to pass, and observers were more struck by Cavalcanti's cheerful *sans souci* in pushing it than by its quick death. The Biosafety Law was primed for easy passage, as evidenced by its strong support on both sides of the aisle and from the administration. As early as last August, observers were predicting an easy floor vote. As such, neither measure is a good predictor of how Cavalcanti and Congress will react on closely-fought bills that cut down the middle of Lula's coalition.

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