

Congress of the United States
Washington, DC 20515

April 5th, 2022

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20006

The Honorable Thomas J. Vilsack
Secretary of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Ambassador Tai and Secretary Vilsack,

Thank you for prioritizing robust implementation and enforcement of the United States-Mexico-Canada Agreement (USMCA), particularly its dairy provisions. Harnessing the full use of USMCA's expanded access for U.S. dairy exports remains a key priority for dairy farmers and manufacturers employing thousands of Americans in our districts and across the country. We appreciate the strong action taken by the Administration in moving forward with USMCA's first dispute settlement case, which found that Canada is improperly limiting access to its dairy market in contravention of USMCA. Translating this win into an outcome that delivers the full benefit of the agreement is vital for America's dairy industry.

We noted with interest Canada's recently proposed allocation and administration policy changes for dairy tariff-rate quotas (TRQs). We believe this proposal would continue to fall short of what USMCA requires. Accordingly, we urge you to insist on much deeper reforms to bring Canada's dairy TRQ allocation system into compliance with its USMCA commitments. For instance, Canada's proposal continues to exclude major swaths of its food and agricultural sector from the TRQ by blocking access of retailers and food service companies. Additionally, its proposed approach to allocating shares of access would continue to deliver the bulk of the TRQ volumes to U.S. dairy manufacturers' Canadian competitors. In short, Canada's proposal amounts to little more than window dressing as it appears designed to effectively preserve the status quo of who can bring in the vast majority of U.S. dairy products under USMCA's dairy TRQ.

As the first dispute resolution case under the USMCA, we know you understand well that this dispute will set a powerful precedent. The decisions the United States government makes next will send a clear signal to our trading partners regarding future dispute panels and the degree of compliance we will require. A deal's a deal; it's not too much to ask that our trading partners live up to their end of the bargain. That is why it is critical that this compliance stage of the USMCA dairy case demonstrate that the USMCA enforcement process works – not just to deliver the right finding, as it did in January – but to ensure faithful implementation of the overall agreement and drive real, tangible reforms that are seen on store shelves, to the benefit of American dairy producers and manufacturers, as intended.

We appreciate your continued commitment to robust USMCA enforcement, and we look forward to the day where American farmers, manufacturers, workers, and others benefit fully from this trade agreement that our nation has so painstakingly negotiated.

Sincerely,



Ron Kind
Member of Congress



Tom Reed
Member of Congress



Antonio Delgado
Member of Congress



Glenn "G.T." Thompson
Member of Congress



Suzan DelBene
Member of Congress



Dusty Johnson
Member of Congress



Jim Costa
Member of Congress



David G. Valadao
Member of Congress