



April 11, 2016

Dear Member of Congress:

On behalf of America's dairy industry, the National Milk Producers Federation, the International Dairy Foods Association and the U.S. Dairy Export Council seek your support for the Trans-Pacific Partnership (TPP) agreement. If properly implemented and enforced, TPP has the potential to help support the continued expansion of U.S. dairy exports to key markets around the world. However, in order for our industry to get the benefit of the bargain struck in this agreement, important implementation and enforcement issues must be addressed as Congress prepares to consider TPP.

Trade is critical to the success of our country's dairy industry. USDA's Economic Research Service (ERS) estimates that each billion dollars of U.S. dairy exports generates 20,093 jobs at the milk production level and 3,150 jobs at the dairy manufacturing level. And we anticipate that will continue to grow as market access increases.

TPP's ground-breaking commitments on sanitary and phytosanitary (SPS) issues, as well as on geographical indications (GI) and common food names are two of the most important areas the U.S. dairy industry will benefit from in this agreement. The SPS chapter builds upon the existing WTO SPS agreement in order to reinforce regulations' scientific basis and risk assessment, increase transparency, and create new tools to enforce those commitments. The GI provisions in TPP, for the first time, establish a more equitable process for considering GIs and emphasize the importance of safeguarding usage of common food names. This is a key priority for our industry as we face the European Union's global efforts to wield GIs as nontariff barriers to trade in order to limit competition and market access from U.S. suppliers.

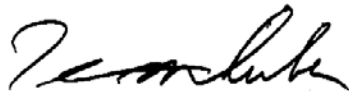
As Congress prepares to consider TPP, our industry would like to highlight a few key implementation and enforcement issues that are vital to ensuring that this agreement fully lives up to its potential to help create improved international opportunities. First, given Canada's demonstrated track record of actively working to limit U.S. dairy exports, it is vital that the U.S. government take steps to ensure that Canada not only implements its TPP commitments on dairy, but also does not alter existing avenues for U.S. access to the Canadian market, absent the emergence of legitimate new food safety issues. Second, it is imperative that Japan also be held to its TPP commitments on dairy with respect to the administration of TPP-wide TRQs to include import licensing as well the operation of safeguards. Third, the TPP GI provisions to combat EU-driven barriers to U.S. cheese exports are a critical component of this agreement. As such, it is essential that we ensure that our TPP trading partners, particularly major markets such as Japan, are not acting in a manner that is out of step with the intent of those TPP GI commitments. Finally, it is equally important that the U.S. faithfully implement its own commitments. To ensure that outcome, the U.S. should establish procedures to make certain our trading partners are shipping only dairy products to our market that are fully in compliance with the terms of access granted to them and to ensure

for the automatic implementation of U.S. dairy safeguards under TPP. U.S. Customs has a critical role to play in this regard, as well as in actively enforcing the agreement's rules of origin and ensuring accurate tariff classification.

TPP can help support the continued growth of a robust U.S. dairy industry, provided not only that the commitments captured in the text of the agreement are fully implemented, but also that countries are *not* allowed to backtrack on existing market access agreements to offset what has been granted via TPP. Holding countries accountable for their existing trade obligations is the best way to enforce their trade commitments and avoid future violations.

We urge Congress to pass TPP this year. We also seek Congress's support for the dairy implementation and enforcement issues described above to help ensure that this agreement lives up to its potential to advance the interests of America's dairy farmers and processors.

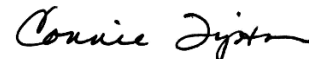
Sincerely,



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James Mulhern
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