

United States Senate

WASHINGTON, DC 20510-3203

January 25, 2023

The Honorable Katherine Tai
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Tai:

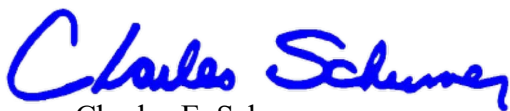
We write in support of a second dispute settlement consultation under the U.S.-Mexico-Canada Agreement (USMCA), specifically regarding Canada's failure to uphold their dairy trade obligations to the United States. We are encouraged that USTR has identified additional aspects of concern with Canada's dairy tariff-rate quote (TRQ) practices including their market-share approach to allocations. As you know, these practices continue to undermine market access that domestic dairy producers were guaranteed under USMCA.

Since the USMCA went into force in July 2020 we have continued to hear concerns from the New York dairy industry regarding Canada's allocation of tariff-rate quotas for U.S. exports of several categories of dairy products, including milk, cheese, and yogurt. As you know, Canada failed to abide by the findings of the first dispute panel announced last January which found Canada's TRQ allocations inconsistent with their market access obligations under USMCA. Far too much time has transpired without a meaningful resolution on this issue.

Ensuring dairy farmers in New York fully benefit from expanded market access opportunities is one of my top priorities. The dairy industry is critical to the New York economy, supporting nearly 26,000 jobs and generating \$2.7 billion in revenue across the state. The industry was hard hit by the pandemic and has been slowly starting to rebuild. Canada's unfair trade practices are an unnecessary drag on New York dairy's hard-fought economic recovery. Canada cannot be allowed to evade its trade obligations in order to protect its tightly-controlled dairy market and must fairly administer its TRQs as agreed to under USMCA.

Our hardworking dairy producers in New York and across the U.S. deserve to fully benefit from the provisions secured in USMCA. We are strongly supportive of additional action in defense of domestic dairy producers, including a second dispute settlement consultation if the agency deems it necessary.

Sincerely,



Charles E. Schumer
United States Senator



Kirsten Gillibrand
United States Senator