

Congress of the United States
House of Representatives
Washington, DC 20515

June 30th, 2020

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20006

Dear Ambassador Lighthizer,

As the Representatives for thousands of upstate New York dairy farms, we were very encouraged by the signing of the United States-Mexico-Canada Agreement (USMCA), which will secure market access for many of our dairy producers and processors who have been harmed by Canada's unfair pricing mechanisms for years.

We write now to express our concern surrounding Canada's allocation of tariff-rate quotas (TRQ's), which undermine the intent of USMCA's dairy provisions by thwarting the ability of the United States dairy industry to fully utilize the trade agreement's market access opportunities. Canada has announced their intention to distribute TRQ's in such a way as to discourage high value U.S. dairy products from entering its market and in manner that appears to be inconsistent with some USMCA requirements related to TRQ administration. We urge you to raise this issue with your Canadian counterparts and insist that they adhere to their commitments made under the USMCA and enable the U.S. to fully utilize the dairy access granted under the agreement.

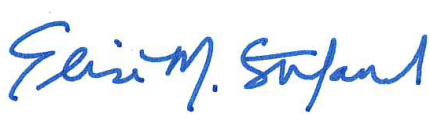
We also express our concern about the Canadian dairy industry's intentions to obscure information surrounding pricing regulations relating to the Class 6 and 7 milk price classification. As you know, the United States Mexico Canada Agreement (USMCA) requires Canada to provide new market access for American dairy products and to eliminate its destructive Classes 6 and 7 milk pricing schemes within 6 months of enactment.

Under the agreement, products that fall under the Class 6 and 7 categories are required to be reclassified according to their end use and subject to a price floor establishment. The USMCA also imposes transparency requirements for pricing formulation and requires Canada to publish detailed information on its milk class pricing regulations as of July 1st, 2020. We urge you to ensure that Canada upholds its end of the agreement by eliminating the Class 6 and 7 milk price classification in a transparent manner that ensures that these harmful programs do not reappear under a different name at some point in the future, and to ensure that related USMCA provisions such as those pertaining to export surcharges are implemented in a manner in keeping with the intent of the agreement.

Our upstate New York dairy farmers have suffered tremendous loss as a result of the COVID-19 pandemic and will continue to recover from those losses in the coming months. While no one could have predicted the COVID-19 pandemic, the price impacts felt by our dairy producers are lasting. It is critical that, as we move forward, our dairy producers are not further negatively impacted by any Canadian attempts to manipulate access commitments in order to protect its own dairy market. Our dairy farms and processors are critical to the success of our rural communities and economies, and they need a fair and reasonable trade policy to keep valuable market access. This is especially true for those in upstate New York who are located within close proximity to the Canadian border.

We were encouraged by your testimony and comments about these issues during the trade hearings before the House Ways and Means and Senate Finance Committees. We look forward to working with you to ensure that our New York dairy farmers and processors have a fair shot and that Canada is held accountable for its commitments made as part of the signing of the USMCA.

Sincerely,



Elise M. Stefanik
Member of Congress



John Katko
Member of Congress



Anthony Brindisi
Member of Congress



Antonio Delgado
Member of Congress



Sean Patrick Maloney
Member of Congress