May 14, 2015

TO THE MEMBERS OF THE UNITED STATES SENATE:

The World Trade Organization is set to issue its fourth and final ruling regarding U.S. Country of Origin Labeling (COOL) of muscle cuts of beef and pork on or before May 18. COOL effectively requires that livestock from the U.S., Canada, and Mexico remain segregated from birth through meat labeling to assure the accuracy of origin labeling of each piece of meat sold to consumers. Canada and Mexico challenged the COOL requirements at the World Trade Organization (WTO), alleging that the required segregation hurts the value of livestock from their countries and violates our international trade obligations.

The WTO has ruled against the U.S. three times, consistently finding the COOL labeling law to be non-compliant with WTO rules. If the U.S. is found to be in violation of WTO rules in this final ruling, Canada and Mexico, America’s two largest export markets, will promptly move to institute billions of dollars’ worth of retaliatory tariffs on U.S. food, agricultural, and manufactured goods.

This calendar and previous experience indicates that WTO authorized retaliatory tariffs could be imposed as early as late summer. Further, necessities of supply chain contracting mean that likely targets of retaliatory tariffs will begin to experience a substantial drop in export sales upon the announcement in May. So, significant economic damage will start even before the retaliatory tariffs are implemented.

Likely targets of retaliatory tariffs are clear. Canada has already issued a preliminary retaliation list targeting a broad spectrum of commodities and manufactured products that would affect every state in the country. Mexico has not yet announced a preliminary retaliation list, but has implemented retaliatory tariffs in the past which may be indicative of future tariff actions.

If tariff retaliation is authorized, U.S. industries as a whole would suffer billions in lost sales and take years to recover lost export markets after the tariffs are lifted. Given the negative impact on the U.S. manufacturing and agriculture economies, we respectfully submit that it would be intolerable for the United States to maintain, even briefly, requirements that have been deemed non-compliant by the WTO. We expect the House of Representatives to pass legislation to repeal violative requirements of COOL promptly upon announcement of a final WTO adjudication of non-compliance. We are anxious that the Senate be well prepared to act on that legislation before the August recess.
The COOL Reform Coalition, co-chaired by the U.S. Chamber of Commerce and the National Association of Manufacturers, and undersigned stakeholders, urges compliance of COOL with our international trade obligations. The COOL Reform Coalition website (www.COOLReform.com) includes a state-by-state interactive map outlining possible retaliation targets.

Thank you for your consideration. We would be pleased to address any questions or concerns you may have regarding bringing COOL into compliance with U.S. trade obligations.

Sincerely,

Abbott
Agri Beef Co.
Altrius Group, LLC
American Bakers Association
American Beverage Association
American Chamber of Commerce of Mexico, A.C.
American Feed Industry Association
American Frozen Food Institute
American Fruit and Vegetable Processors and Growers Coalition
American Peanut Product Manufacturers, Inc.
American Seed Trade Association
American Soybean Association
Amway
Anheuser-Busch
Animal Health Institute
Appvion
Archer Daniels Midland Company
Auto Care Association
Bel Brands USA
Business and Institutional Furniture Manufacturers Association (BIFMA)
California Chamber of Commerce
California Cherry Export Association
California Pear Growers Association
California Table Grape Commission
Campbell Soup Company
Cargill, Incorporated
The Coca-Cola Company
ConAgra Foods, Inc.
Consumer Electronics Association
Corn Refiners Association
Dart Container Corporation
The Distilled Spirits Council of the U.S., Inc.
Dr Pepper Snapple Group
Emergency Committee for American Trade (ECAT)
Fashion Jewelry and Accessories Trade Association
Food & Consumer Products of Canada
Food Marketing Institute
General Mills
Georgia Food Industry Association
Glanbia USA
Grocery Manufacturers Association
Hawaii Food Industry Association
Herbalife Ltd.
The Hershey Company
Hills & Company
Hilmar Cheese Company Inc.
H.J. Heinz Company
Hormel Foods Corporation
Independent Bakers Association
Information Technology Industry Council (ITI)
Ingredion Incorporated
International Dairy Foods Association
International Fragrance Association, North America
International Franchise Association
International Sleep Products Association
JBS USA
Kellogg Company
Kraft Foods Group, Inc.
The Latino Coalition
Leprino Foods Company
Louisiana Retailers Association
Mars, Incorporated
Metals Service Center Institute
Midwest Food Processors Association
Mondelez Global LLC
National Association of Egg Farmers
National Association of Manufacturers
National Beef Packing Co., LLC
National Cattlemen's Beef Association
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Foreign Trade Council
National Grain and Feed Association
National Grocers Association
National Milk Producers Federation
National Oilseed Processors Association
National Pork Producers Council
National Renderers Association
National Retail Federation
Nestlé USA
North American Equipment Dealers Association
North American Export Grain Association
North American Meat Institute
Northwest Food Processors Association
Northwest Horticultural Council
NPES The Association for Suppliers of Printing, Publishing and Converting Technologies
Peanut and Tree Nut Processors Association
Penford Products Co.
Pennsylvania Food Merchants Association
PepsiCo
Pernod Ricard USA
Pet Food Institute
Produce Marketing Association
Red Gold, Inc.
Remy International, Inc.
Retail Association of Nevada
Roquette America
Sargento Foods Inc.
The Schwan Food Company
Seaboard Foods
Smithfield Foods
Snack Food Association
Sweetener Users Association
Tate & Lyle Americas
Texas Retailers Association
Transportation Intermediaries Association
Tyson Foods, Inc.
USA Rice Federation
Unilever
United Egg Producers
United Producers, Inc.
United States Council for International Business
U.S. Chamber of Commerce
U.S. Dairy Export Council
U.S. Hide, Skin and Leather Association
U.S. Premium Beef
Wal-Mart Stores, Inc.
The Walter Bagehot Council
WineAmerica
Wine Institute