

# United States Senate

WASHINGTON, DC 20510

COMMITTEES:  
APPROPRIATIONS  
COMMERCE  
HEALTH, EDUCATION,  
LABOR, AND PENSIONS

January 30, 2023

Ambassador Katherine Tai  
600 17<sup>th</sup> Street NW  
Washington, D.C. 20508

Dear Ambassador Tai:

I write to commend you for your persistence in pursuing fair market access for American dairy producers exporting to Canada under the U.S.-Mexico-Canada Agreement (USMCA). Despite your persistence, American dairy producers remain unable to achieve fair access under Canada's current Tariff Rate Quota (TRQ) administration procedures. As you consider further action to compel Canada to honor its commitment to fair dairy access in the USMCA, I encourage you to request a dispute settlement panel with Canada as soon as possible.

As you know, the dispute settlement mechanism included in the USMCA was a significant update to the North American Free Trade Agreement (NAFTA). The panel mechanism under USMCA intends to bring resolution to disputes quickly and fairly and was hailed by all three nations (along with Democrats and Republicans in the U.S.) as an improvement to the previous system. The January 2022 dispute settlement panel's ruling in favor of the U.S. should have resulted in the necessary improvements for American dairy access in Canada. However, Canada has so far failed to make the changes required by the panel. As the first dispute panel, this precedent raises broader concerns about the anticipated effectiveness of the dispute settlement mechanism overall—with implications beyond this specific dairy issue.

The United States is a global leader in dairy production and safeguarding access to international markets is paramount in maintaining such status. The dairy industry in Wisconsin alone supports over 150,000 jobs and contributes \$45.6 billion to the state's economy. Wisconsin farmers and producers in particular rely on fair market access for both growth and stability within the industry, as well as remaining competitive on an international stage.

Given the significance of this dispute to the effective enforcement of the USMCA going forward, and the importance of the dairy economy to Wisconsin, I again urge you to call for a second dispute settlement panel with Canada as soon as possible.

Sincerely,



Tammy Baldwin  
United States Senator