



Congress of the United States
House of Representatives
Washington, DC 20515-3605

June 4, 2021

The Honorable Katherine Tai
Ambassador, Office of the United States Trade Representative
600 17th St. NW
Washington, DC 20508

Dear Ambassador Tai,

Troubling reports have emerged that Canada is continuing to restrict access to its market for American dairy products. After reviewing the Biden Administration's *2021 Trade Policy Agenda and 2020 Trade Policy Report*, it is apparent that Canada has yet to take any action to reform its tariff-rate quotas. This is very concerning for American producers of products like fluid milk, cheese, cream, and butter.

When I voted for the USMCA back in 2019, I carefully reviewed several studies showing that U.S. dairy farmers would be able to sell three times as much as they could before under NAFTA. For an industry that has endured significant challenges over the past three decades, I want to ensure that every enforcement tool available within the USMCA is used to ensure Canada upholds its end of the deal.

More specifically, with Canada purchasing more U.S. goods than any other country, I fully expect them to adhere to the new trade rules that scrap tariffs and remove an unbalanced pricing system on American dairy exports agreed upon in the USMCA.

Furthermore, my staff and I will be monitoring the progress of the dispute panel that has been requested to challenge Canada's operation of dairy tariff-rate quotas that it agreed to under the USMCA. Dairy farmers in my district and North Carolina deserve to know whether or not Canada has proactively restricted American dairy imports.

The USMCA and its provisions must be upheld. I stand ready to work with you on this important issue. Thank you for your attention to this matter, and I look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Ted Budd".

Ted Budd

Member of Congress