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House Committee on Agriculture  
1301 Longworth House Office Building  
Washington, DC 20515

June 1, 2015

Dear Chairman Conaway and Ranking Member Peterson,

WineAmerica, the National Association of American Wineries, and our state association partners, are gravely concerned about the negative impact that the existing U.S. Mandatory Country of Origin Labeling (COOL) requirements for muscle cuts of meat may have on the U.S. economy. On May 18, 2014, a World Trade Organization (WTO) Dispute Settlement Body issued their fourth and final ruling determining that the requirements violated obligations the United States has undertaken as a member of the WTO with regard to our two largest export markets, Canada and Mexico. Based on this final ruling Canada and Mexico could subject an array of U.S. exports to retaliatory tariffs as soon as this August.

While Congress has acknowledged the on-going problem and addressed the need for finding a solution in the FY 2015 funding package passed in December, there is still an immediate need for corrective action by Congress. Otherwise, serious damage to U.S. exports should be expected to begin upon a WTO final determination of U.S. non-compliance. We applaud the quick actions of the House Agriculture Committee on this issue. H.R. 2393 would repeal the the country of origin labeling requirements for beef, chicken, and pork and bring a quick resolution to this issue. This bi-partisan legislation passed out of the House Agriculture Committee by a vote of 38-6 with the full House expected to vote on the bill in early June.

Canada has already issued a preliminary retaliation list targeting a broad spectrum of commodities (including wine) and manufactured products that would affect every state in the country. Mexico has not yet announced a preliminary retaliation list.

Canada is the largest foreign market for American wine. Last year in Canada, U.S wine exports reached \$487 million, which was a 7% increase from 2013. Retail sales for American wine in Canada now eclipse \$1 billion. Mexico is the 6th largest market for U.S. wine, with \$24 million, a 13% increase from 2013.

We invite you to review the state-by-state retaliatory analysis available at [www.COOLReform.com](http://www.COOLReform.com). If tariff retaliation is authorized, U.S. industries would suffer billions in lost sales and take years to recover lost export markets after the tariffs are lifted.

The WTO Dispute Settlement Body has announced their final ruling on this issue and the U.S. has been ruled non-compliant. While the actual retaliation won't occur until at least the end of the summer, the time for legislative action is short, and we hope a viable solution can be found in a timely manner.

Thank you for your attention to this very important matter and for protecting American food production, agriculture and manufacturing from economic harm.

Sincerely,

A handwritten signature in black ink, appearing to read "Caroline Shaw". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Caroline Shaw  
Chair, WineAmerica Board of Directors  
Executive Vice President  
Jackson Family Wines - Santa Rosa, CA