

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

May 19, 2015

The Honorable K. Michael Conaway
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Collin Peterson
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Conaway and Ranking Member Peterson:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 2393, a bill to amend the Agricultural Marketing Act of 1946 to repeal country of origin labeling requirements with respect to beef, pork, and chicken. This bipartisan bill would repeal the Country of Origin Labeling (COOL) rule for muscle cuts of meat, thereby bringing the United States into compliance with its trade obligations and averting costly trade retaliation that could come as early as late summer.

As you know, the World Trade Organization (WTO) Dispute Settlement Body ruled against the United States in its final appeal made public on May 18, 2015. The WTO determined yet again that the COOL rule for meat violates U.S. trade obligations by reducing costs on Canadian and Mexican producers in a discriminatory, trade-distorting manner.

After years of trade litigation, the United States is out of options. To avoid Canadian and Mexican retaliation that would hit U.S. farmers, workers, and companies hard, Congress must repeal the COOL rule for meat. Otherwise, retaliatory tariffs against U.S. agricultural products and manufactured goods could cost tens of thousands of American jobs. The COOL Reform Coalition (www.COOLreform.com), which is co-chaired by the U.S. Chamber of Commerce and the National Association of Manufacturers, has created an interactive [map](#) showing the potential impact of retaliation for each state.

The peril is magnified by the fact that Canada and Mexico are by far our largest export markets. Trade with our two North American neighbors reaches \$1.3 trillion annually. U.S. merchandise exports to Canada and Mexico rose by 66% over the past five years, topping \$550 billion in 2014—the largest dollar increase in exports to any country in the world. Trade with Canada and Mexico supports nearly 14 million U.S. jobs.

One additional risk is that sourcing managers planning future purchases could shift to vendors in other jurisdictions in response to the threat of higher tariff costs. Once this happens, it could take years for American farmers, ranchers, and companies to recover lost market share.

Given that more than 95% of the world's consumers live outside America's borders, we flaunt our country's obligations under the rules-based trading system at our peril. American farmers, workers, and companies will not be able to sell their goods and services to those consumers if we fail to live up to these rules ourselves.

For these reasons, the Chamber urges the Committee to support H.R. 2393. We appreciate your leadership and look forward to working with you and your colleagues on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Bruce Josten

cc: Members of the Committee on Agriculture