

United States Senate

WASHINGTON, DC 20510

November 24, 2014

The Honorable Michael Froman
United States Trade Representative
Executive Office of the President
600 17th Street NW
Washington, D.C. 20508

The Honorable Tom Vilsack
Secretary
Department of Agriculture
1400 Independence Avenue SW
Washington, D.C. 20250

Dear Ambassador Froman and Secretary Vilsack:

We write regarding the decision by the World Trade Organization (WTO) compliance panel on October 20th related to implementation of Country of Origin Labeling (COOL). While we are disappointed with the panel's finding, we appreciate the panel reaffirming the United States' authority to require country of origin labeling and recognizing that the measure was not more trade restrictive than necessary. We believe the finding overestimates the impact of COOL on segregation costs and imports and underestimates the value to consumers. With that in mind, we urge you to appeal the recent WTO decision and stand up for a consumer's right to know where their food comes from and protect a producer's ability to market their livestock as born and raised in America.

We believe the panel overestimated the costs associated with segregation. The panel incorrectly attributed all of the segregation and recordkeeping costs to COOL. The industry already seamlessly tracks marketing attributes (like certified Angus or grassfed), quality traits (marbling and USDA grading), and individual ownership of each animal (for carcass-based pricing) as well as other traits for their buyers and food safety regulators. This burden is not unique to COOL as the infrastructure and informational processes are already in place to separate and track animals throughout the production process. Due to these existing procedures, the burden of COOL is a marginal addition to the existing systems and we disagree with the panel's finding that the implementation of COOL will significantly increase costs.

We also believe the panel overestimated the impact COOL has had on imports from Canada and Mexico. The decline in livestock imports were more the result of the economic downturn and a dramatic change in the currency exchange rates than to the application of COOL labels. These economic factors reduced all imports, not just cattle and hog imports, and since the recession has abated, imports have increased. Cattle imports from these countries were higher in the first six months of 2014 than they were in the same period during 2007 and 2008, before COOL went into place. This stands in stark contrast to what foreign entities have led the general public and WTO to believe.

It is important to note that the WTO compliance panel's ruling found that the United States improved upon its previous iteration of COOL. The panel found that COOL labels do indeed provide consumers with information on the origin of their food, rejecting claims from Canada and Mexico that the labels do not serve their intended purpose.

Thank you for your attention to this important issue and we again urge you to stand up for American consumers and producers by appealing this recent WTO decision.

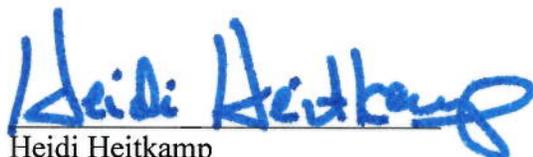
Sincerely,



Jon Tester
United States Senator



Tim Johnson
United States Senator



Heidi Heitkamp
United States Senator