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United States Senate

WASHINGTON, DC 20510

ARMED SERVICES

BANKING, HOUSING, AND

URBAN AFFAIRS

ENVIRONMENT AND PUBLIC WORKS

VETERANS' AFFAIRS

COMMITTEES:

March 19, 2020

President Donald J. Trump The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear Mr. President:

I write in support of Concurrent Resolution 601, which passed the South Dakota State Senate on February 6, 2020, and was concurred in the State House of Representatives on March 2, 2020.

South Dakota Concurrent Resolution 601 supports trade negotiations that will remove barriers to mandatory country-of-origin-labeling (MCOOL) for commodities, including beef and pork. Specifically, it "urgently requests the President of the United States and the United States Trade Representative to negotiate and execute agreements with Canada and Mexico, which will remove trade barriers to MCOOL."

As you are aware, the World Trade Organization (WTO) has repeatedly found that certain mandatory country-of-origin-labeling requirements in the United States are noncompliant with the United States' WTO obligations and are discriminatory to Canadian and Mexican products. In the event the United States would attempt to restore MCOOL requirements for beef and pork products, Canada and Mexico have been authorized to place retaliatory tariffs on U.S. exports totaling approximately \$1 billion.

Producers in South Dakota and the United States raise some of the highest quality beef and pork products in the world. However, consumers are unable to differentiate domestically raised beef and pork from foreign products entering the market due to current loopholes in labeling laws. MCOOL would address this by requiring information regarding the source of the meat to be disclosed. For this reason, I request the administration carefully consider the enclosed Concurrent Resolution and take steps to include language in renegotiated trade agreements with Mexico and Canada to allow for MCOOL.

Since MCOOL's 2015 repeal, American producers of beef and pork have endured a competitive disadvantage when marketing their products. Moreover, U.S. consumers are unable to differentiate between domestic and foreign products that enter the U.S from more than 20 foreign countries. Because of existing loopholes within USDA regulations, today's marketplace currently allows foreign beef to be labeled as a U.S. product.

Again, thank you for your time and careful consideration of this resolution. I look forward to continuing to work with you on this important issue.

Sincerely,

M. Modes form

M. Michael Rounds

United States Senator

Enclosure



2020 South Dakota Legislature

Senate Concurrent Resolution 601 ENROLLED

AN ACT

A CONCURRENT RESOLUTION, Supporting trade negotiations to remove barriers to country of origin labelling.

WHEREAS, in 2002, Congress amended the Agricultural Marketing Act of 1946 to require that retailers notify customers purchasing covered commodities, including beef and pork, of the commodities' origin, by means of a "Country of Origin Label" (COOL); and

WHEREAS, the COOL requirements were not applicable to restaurants, cafeterias, or processed foods; and

WHEREAS, the COOL requirements were designed to provide retailers with flexible labeling options that included bands, placards, pin tags, signs, stickers, and twist ties, for conveying the information in a legible form and in a conspicuous manner; and

WHEREAS, in May 2015, based on complaints from Canada and Mexico, the World Trade Organization determined that COOL violated United States trade obligations and threatened to impose retaliatory duties of \$1.1 billion, unless this country removed the requirement that covered commodities, including beef and pork, be sold with a COOL; and

WHEREAS, in December 2015, Congress removed mandatory COOL requirements for muscle cut beef and pork, and for ground beef and pork; and

WHEREAS, the United States-Mexico-Canada Agreement ultimately did not include COOL:

NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Ninety-Fifth Legislature of the State of South Dakota, the House of Representatives concurring therein, that the Legislature urgently requests the President of the United States and the United States Trade Representative to negotiate and execute agreements, with Canada and Mexico, which will remove trade barriers to COOL; and

BE IT FURTHER RESOLVED, that the secretary of the Senate transmit copies of this resolution to the President of the United States, the speaker and clerk of the United States House of Representatives, the president pro tempore and secretary of the United States Senate, and to the members of the South Dakota Congressional delegation.

Adopted by the Senate, Concurred in by the House of Representatives,

February 6, 2020 March 2, 2020



Larry Rhoden President of the Senate

Secretary of the Senate

Steven G. Haugaard Speaker of the House Mary Low Goehring

Chief Clerk