

Congress of the United States
Washington, DC 20515

September 27, 2010

Ambassador Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Kirk:

As members of the Congressional Dairy Farmers Caucus, we write to share our concerns with the European Union's (EU) aggressive escalation of its efforts to secure unfair market advantage through the misuse of Geographical Indicators (GI). We are particularly concerned with the EU's current efforts with regard to the Free Trade Agreement (FTA) it has negotiated with South Korea and appreciate the work you and your office have done to date to address that important issue.

We urge you to continue in your efforts to engage with your South Korean counterparts to ensure that as the Koreans develop the domestic implementing regulations on GIs, those regulations do not undercut the dairy market gains secured in the U.S.-Korea FTA. Specifically, we are very concerned that the implementing regulations of the EU-South Korea FTA will contain GI provisions that will greatly diminish, if not foreclose, the market opportunities available to many U.S. cheeses and other agricultural products. Moreover, it must be noted that any such advantage gained by the EU will be magnified because it would set precedent that could, and likely would be, readily replicated in EU-negotiated FTAs in a number of other foreign markets of importance to the U.S. dairy industry. These markets include Canada, Central America, China, Colombia, and Peru, as well as many others. Clearly, such a development would hinder the President's goal to double U.S. exports over the course of the next five years and to expand market access.

For example, the U.S. International Trade Commission has estimated the dairy provisions of the U.S.-Korea FTA would expand U.S. dairy exports by \$175 million to \$336 million, which would be a substantial increase from the \$77 million exported to Korea last year. Given the opportunity for increased dairy exports presented by the Korean market, the U.S. prioritized access for cheeses in its FTA negotiations. Of note, there are many quality cheese types produced in the U.S. but not yet heavily consumed in Korea, which is important given the growth of cheese consumption in Asia.

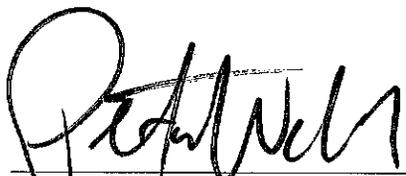
As the American dairy industry continues to struggle with low prices and increased input costs, foreign market access must be expanded. Cheese exports have averaged about \$463 million over the past several years and provide a strategic growth opportunity. However, America's dairy industry will not be able to maintain, let alone enhance, its current level of exports if we do not combat European efforts to carve out the sole right for their producers to use many of the

commonly used cheese names most familiar to consumers around the world (e.g. feta, gorgonzola, munster, parmesan, provolone) and safeguard against possible threats to generic terms such as cheddar and mozzarella that could arise as a result of recent EU legal precedents.

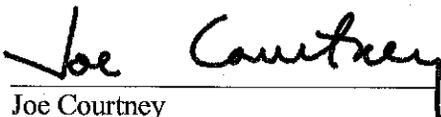
The U.S. has already seen how the EU's use of GIs can pose a strong threat to U.S. agricultural interests. Specifically, as a result of enhanced "protections" for certain EU wines and spirits, the use of common wine names such as champagne, burgundy and sherry by the U.S. has been limited. The Europeans are now seeking to build upon this and claim for their sole use many common adjectives for certain types of wines and spirits such as classic, ruby, and chateau. It is not inconceivable that the EU may ultimately decide to also seek sole use rights for common cheese descriptors such as cream or cottage cheese.

Accordingly, we urge you to discuss this issue with the Koreans and work with the Koreans to ensure that their domestic implementing regulations do not impair the dairy market access concessions granted to the U.S. in the U.S.-Korea FTA. We appreciate your efforts to date and look forward to working with you to further address this important matter.

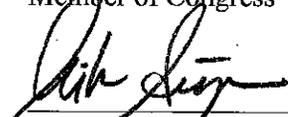
Sincerely,



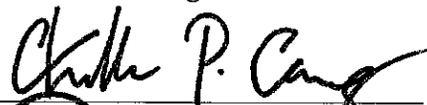
Peter Welch
Member of Congress



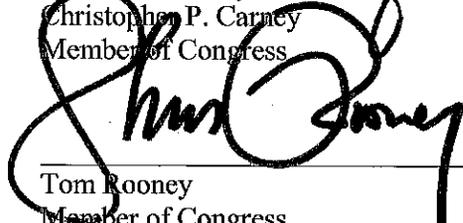
Joe Courtney
Member of Congress



Mike Simpson
Member of Congress



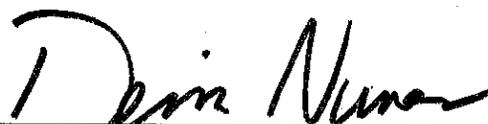
Christopher P. Carney
Member of Congress



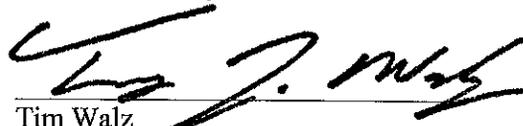
Tom Rooney
Member of Congress



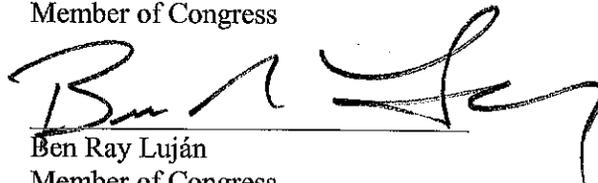
Bill Owens
Member of Congress



Devin Nunes
Member of Congress



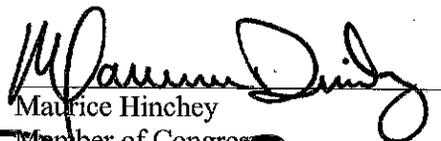
Tim Walz
Member of Congress



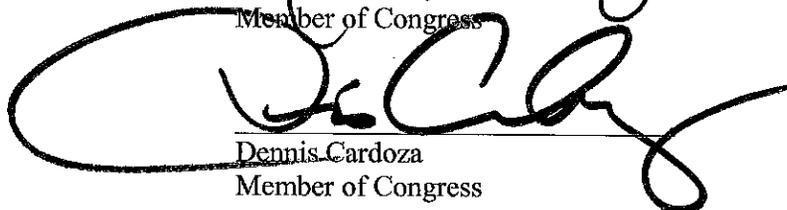
Ben Ray Lujan
Member of Congress



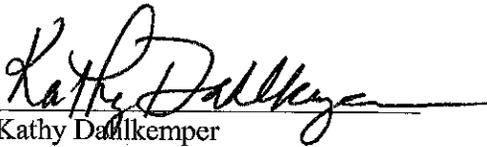
Tim Holden
Member of Congress



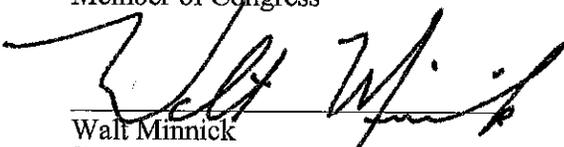
Maurice Hinchey
Member of Congress



Dennis Cardoza
Member of Congress



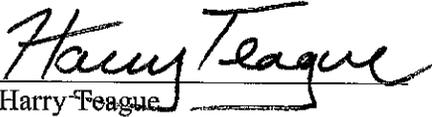
Kathy Dahlkemper
Member of Congress



Walt Minnick
Member of Congress



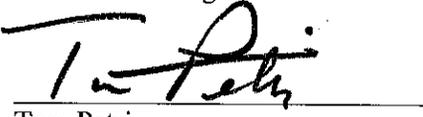
Scott Murphy
Member of Congress



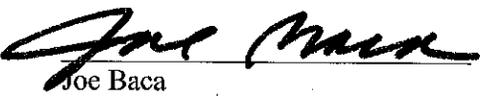
Harry Teague
Member of Congress



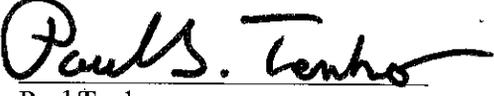
Leonard Boswell
Member of Congress



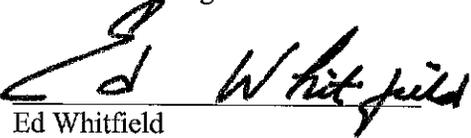
Tom Petri
Member of Congress



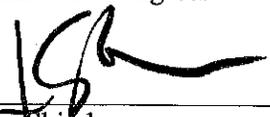
Joe Baca
Member of Congress



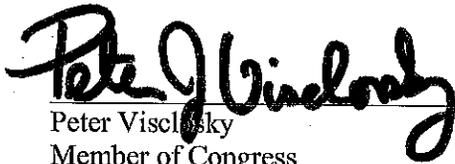
Paul Tonko
Member of Congress



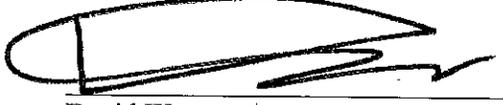
Ed Whitfield
Member of Congress



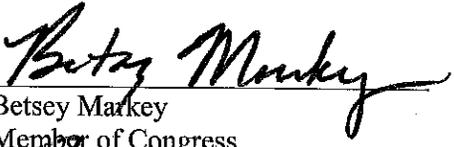
John Shimkus
Member of Congress



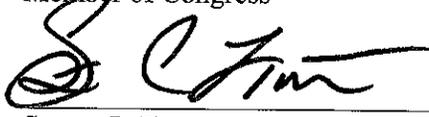
Peter Visco
Member of Congress



David Wu
Member of Congress



Betsey Markey
Member of Congress



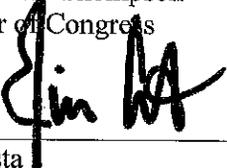
Steven LaTourette
Member of Congress



Roscoe Bartlett
Member of Congress



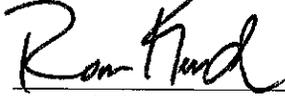
Glenn "GT" Thompson
Member of Congress



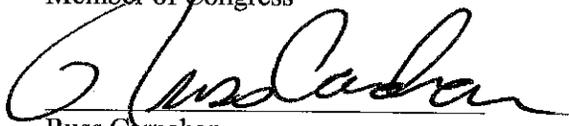
Jim Costa
Member of Congress



Dale E. Kildee
Member of Congress



Ron Kind
Member of Congress



Russ Carnahan
Member of Congress

Mike Rogers

Mike Rogers (MI)
Member of Congress

Michael A. Arcuri

Michael A. Arcuri
Member of Congress

Tammy Baldwin

Tammy Baldwin
Member of Congress

Roy Blunt

Roy Blunt
Member of Congress

Rick Larsen

Rick Larsen
Member of Congress

Wally Herger

Wally Herger
Member of Congress

Michael K. Conaway

Michael K. Conaway
Member of Congress

James Oberstar

James Oberstar
Member of Congress

Joe Sestak

Joe Sestak
Member of Congress

George Radanovich

George Radanovich
Member of Congress

Chris Lee

Chris Lee
Member of Congress

John Hall

John Hall
Member of Congress

Joseph R. Pitts

Joseph R. Pitts
Member of Congress

Candice S. Miller

Candice Miller
Member of Congress

Blaine Luetkemeyer

Blaine Luetkemeyer
Member of Congress

Daniel B. Maffei

Daniel B. Maffei
Member of Congress

Jerry McNerney

Jerry McNerney
Member of Congress

Kurt Schrader

Kurt Schrader
Member of Congress

John Boozman

John Boozman
Member of Congress

Gary Miller

Gary Miller
Member of Congress

Michele Bachmann
Michele Bachmann
Member of Congress

Adrian Smith
Adrian Smith
Member of Congress

Bob Goodlatte
Bob Goodlatte
Member of Congress

Todd R. Platts
Todd R. Platts
Member of Congress
