## Congress of the United States Washington, DC 20515

June 11, 2019

The Honorable Robert Lighthizer U.S. Trade Representative 600 17<sup>th</sup> St. NW Washington D.C. 20508

## Dear Ambassador Lighthizer:

As you conduct trade negotiations with China and Japan, we expect that you will consult closely with Congress on your objectives, requests, and progress. We urge you to ensure that any new agreements result in the removal of all tariffs, retaliatory or otherwise, on U.S. wine. The Administration must do all it can to support the international competitiveness of U.S. agriculture.

After years of strong growth, U.S. wine exports to China fell dramatically in 2018 as China implemented retaliatory tariffs. On June 1, tariffs on U.S. wine sold in China rose to 54 percent, up from just 14 percent in March 2018. Recent Chinese free trade agreements with Chile, Australia, and New Zealand have made competition even more difficult for U.S. wine makers. Despite more than a decade of concerted marketing efforts in China, including substantial support from the U.S. Department of Agriculture, U.S. wine will not be able to maintain a long-term Chinese presence in the face of such a wide disparity in trade conditions.

In Japan, U.S. wine producers face a 15 percent tariff while tariffs are being eliminated on wine produced by foreign competitors. For example, the EU-Japan Economic Partnership Agreement that went into effect in February grants EU wine duty-free access to the market. Similarly, a Chile-Japan agreement will begin phasing out duties on Chilean wine this year, and an Australia-Japan agreement will eliminate duties on Australian wine by April 2021.

As your negotiations with China and Japan progress, we urge you to ensure that any new agreements include the removal of all tariffs on U.S. wine. The Administration must do all it can to support the international competitiveness of U.S. industries.

Thank you for your attention to these important matters. We look forward to your response.

Sincerely.

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