

INTERNATIONAL SUGAR TRADE COALITION, INC.

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September 7, 2015

Ambassador Michael Froman
U.S. Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: Trans-Pacific Partnership and Sugar

Dear Ambassador Froman:

The International Sugar Trade Coalition (ISTC) has repeatedly urged the Administration not to undermine the U.S. sugar program in the context of the Trans-Pacific Partnership (TPP) negotiations and to respect the legitimate rights of the quota holders under the U.S. tariff rate quota (TRQ) on raw sugar.

Australia has reportedly proposed that it uniquely be given privileged opportunities to supply any growth in the U.S. raw sugar market. Under this proposal, Australia alone would become entitled to supply any future growth in the U.S. sugar market. Such an approach would:

- Not just undermine but violate the U.S. sugar program by reducing the rights of domestic sugar producers to supply their own market;
- Violate the suspension agreements between the United States and Mexico that resolved the anti-dumping and countervailing duty (AD/CVD) cases involving Mexican sugar, perhaps prompting Mexico to retaliate against U.S. exports; and
- Violate the legitimate rights of the TRQ quota holders under GATT Article XXIV to participate in future growth in the U.S. sugar market.

Australia's latest sugar proposal is not just a bad idea, it is contrary to U.S. law, the obligations of the United States under both NAFTA and the AD/CVD suspension agreements, and the GATT obligations of the United States to the TRQ quota holders. It should be rejected out of hand.

ISTC would be pleased to provide any additional information that may be useful in connection with the treatment of sugar in the TPP negotiations.

Sincerely,



Paul Ryberg
President

cc: USDA Under Secretary Michael Scuse
Ambassador Darci Vetter
Assistant U.S. Trade Representative Sharon Bomer Lauritsen