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March 22, 2021

The Honorable Katherine Tai
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Madam Ambassador:

The Sweetener Users Association (SUA) wishes to congratulate you on your confirmation as U.S. Trade Representative. We look forward to working with you and your team on issues relevant to trade in sugar, where the Office of U.S. Trade Representative plays a crucial role not only in negotiating with our trading partners, but also in administering sugar policy through your authority to reallocate raw and refined sugar tariff-rate quotas (TRQs). We need not tell you that USTR staff are consistently professional and accessible, and carry out their sugar-related duties with dedication and skill.

We appreciated the responses you provided to questions for the record from Senators Cassidy and Barrasso, dealing with various aspects of sugar policy. In particular, your commitment to work with industry stakeholders prior to any decisions to alter TRQ country allocations is welcome.

As industrial users of sugar to make food and beverage products, our members are industry stakeholders with substantial knowledge of markets, retail demand, supply-chain logistics and industry dynamics. We have in the past made several proposals to improve the efficiency of the sugar TRQ system, including options for reallocation. You may be aware that 10 quota-holding countries have not shipped a single ton of sugar to the United States since 2009, and nine of these have not shipped any sugar since 2008. This fact alone suggests that the time is ripe to reconsider TRQ allocations that are based on 45-year-old trading patterns.

We have also suggested administrative options that, rather than depriving the non-supplying countries of their quota, would actually permit these low-income countries – which include Haiti,

Congo, Gabon and others – to derive a financial benefit from their quota share, which currently provides them with no revenue. These options would involve no cost to U.S. taxpayers. We would very much appreciate the opportunity to discuss these ideas with you.

We respectfully request the favor of a video meeting with you at an early date convenient to your schedule, for the purpose of discussing reallocation-related issues, but also providing a broader industry perspective on sugar policies. With your permission, we will be in contact with your staff to explore options for a meeting. In addition, we have attached a letter previously sent to then-Acting USTR Pagan, seeking prompt use of USTR's reallocation authority due to current market conditions.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Pasco". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Pasco
President