

Subject to Legal Review for Accuracy, Clarity, and Consistency
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The Honorable Chrystia Freeland
Minister of Foreign Affairs
Canada

Dear Minister Freeland:

I have the honor to confirm the following understanding reached between the Government of the United States of America (“the United States”) and the Government of Canada (“Canada”) regarding measures maintained by the Canadian province of British Columbia (“BC”) governing the sale of wine in grocery stores.

In recognition of the shared commitment of the United States and Canada to resolve this ongoing trade concern, Canada shall ensure that BC modifies the measures identified in the U.S. panel request (WT/DS531/7 (May 29, 2018)) and implement any changes no later than November 1, 2019. Specifically, BC shall eliminate the measures which allow only BC wine to be sold on regular grocery store shelves while imported wine may be sold in grocery stores only through a so-called “store within a store,” and such contested measures shall not be replicated.

The United States shall take no further action at the WTO in relation to the BC measures, including in relation to WTO disputes WT/DS520 and WT/DS531 prior to November 1, 2019.

If BC revises the wine measures described above so as to ensure the treatment of U.S. goods is consistent with Article III:4 of the GATT 1994, the United States shall join Canada to notify the WTO Dispute Settlement Body (“DSB”) that the United States and Canada have reached a mutually agreed solution (“MAS”) in WTO disputes WT/DS520 and WT/DS531. To the extent that the United States agrees that BC has fulfilled the commitments in paragraph 2, the Parties shall provide such notification to the DSB no later than 15 days after the changes to the BC wine measure have entered into force. If BC fails to revise the BC wine measures as described, the United States may resume the panel selection process.

I have the honor to propose that this letter and your letter in reply confirming that Canada shares this understanding, equally valid in English and French, shall constitute an agreement between the United States and Canada, to enter into force on the date of your reply.

Sincerely,

Ambassador Robert E. Lighthizer

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Ambassador Robert E. Lighthizer
U.S. Trade Representative
Office of the U.S. Trade Representative
600 17th Street, N.W.
Washington D.C. 20508

Dear Ambassador Lighthizer,

I am pleased to acknowledge your letter of XX, 2018, which reads as follows:

“I have the honor to confirm the following understanding reached between the Government of the United States of America (“the United States”) and the Government of Canada (“Canada”) regarding measures maintained by the Canadian province of British Columbia (“BC”) governing the sale of wine in grocery stores.

In recognition of the shared commitment of the United States and Canada to resolve this ongoing trade concern, Canada shall ensure that BC modifies the measures identified in the U.S. panel request (WT/DS531/7 (May 29, 2018) and implement any changes no later than November 1, 2019. Specifically, BC shall eliminate the measures which allow only BC wine to be sold on regular grocery store shelves while imported wine may be sold in grocery stores only through a so-called “store within a store,” and such contested measures shall not be replicated.

The United States shall take no further action at the WTO in relation to the BC measures, including in relation to WTO disputes WT/DS520 and WT/DS531 prior to November 1, 2019.

If BC revises the wine measures described above so as to ensure the treatment of U.S. goods is consistent with Article III:4 of the GATT 1994, the United States shall join Canada to notify the WTO Dispute Settlement Body (“DSB”) that the United States and Canada have reached a mutually agreed solution (“MAS”) in WTO disputes WT/DS520 and WT/DS531. To the extent that the United States agrees that BC has fulfilled the commitments in paragraphs 2, the Parties shall provide such notification to the DSB no later than 15 days after the changes to the BC wine measure have entered into force. If BC fails to revise the BC wine measures as described, the United States may resume the panel selection process.”

I have the honor to propose that this letter and your letter in reply confirming that Canada shares this understanding, equally valid in English and French, shall constitute an agreement between the United States and Canada, to enter into force on the date of your reply.

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I have the further honour to confirm that Canada shares this understanding and that your letter and this letter in reply constitutes an understanding between the United States and Canada, which shall enter into force on the date of this reply.

Sincerely,