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BRANDON PARTRIDGE
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June 7, 2002

*BY ELECTRONIC MAIL TO hearingclerks.waysandmeans@mail.house.gov
BY FACSIMILE TO (202) 225-2610*

The Honorable Philip M. Crane
Chairman
Subcommittee on Trade
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

**Re: Comments on H.R. 1786, "A Bill to Impose Tariff-Rate
Quotas on Certain Casein and Milk Protein
Concentrates"**

Dear Chairman Crane:

Nestlé U.S.A., Inc. and Nestlé U.S.A. Beverage Division, Inc. (collectively, "Nestlé U.S.A.") appreciate the opportunity to provide comments to the Committee on Ways and Means on H.R. 1786, "a bill to impose tariff-rate quotas on certain casein and milk protein concentrates." Nestlé U.S.A urges the Committee to reject this legislation, which is objectionable on several grounds.

H.R. 1786 would substantially increase tariffs on various imported milk protein products, including caseins, caseinates, casein derivatives, and milk protein concentrates ("MPC"). By imposing ex-quota tariffs of up to \$2.16 per kilogram, the bill would make these products, many of which are not produced in the United States, prohibitively expensive. Because the affected products are used as ingredients in a variety of finished foods, the new tariff barriers created by H.R. 1786 would be detrimental to the U.S. processed food industry and to consumers.

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Nestlé U.S.A., a major U.S. food manufacturer headquartered at 800 North Brand Boulevard, Glendale, California 91203, uses products affected by H.R. 1786 in manufacturing processed food products in the United States and will be harmed should this bill be enacted. Moreover, Nestlé U.S.A. believes that enactment of the measure, which is contrary to our country's international trade commitments, is likely to result in demands for compensation and in the imposition of retaliatory tariffs on food products exported by U.S. companies. Such retaliation has the potential to affect adversely not only Nestlé U.S.A., but many other U.S. food producers as well.

Nestlé U.S.A. understands that H.R. 1786 is being considered for inclusion in a miscellaneous trade bill. Nestlé U.S.A. submits that such inclusion would be inconsistent with Committee policy. H.R. 1786 is highly controversial, is not a "technical correction," and does not suspend existing duties. In violating our country's trade commitments and harming U.S. industries, enactment of the bill would have adverse economic consequences and be contrary to the national interest.

Thank you for considering Nestlé U.S.A.'s views concerning this proposed legislation.

Respectfully submitted,

Brandon Partridge
Manager of Government Relations
Nestlé U.S.A., Inc.