



**CHEESE IMPORTERS  
ASSOCIATION OF AMERICA**

Bulletin 19-29 September 11, 2019

**CIAA Bulletin**

**An Exclusive CIAA Member  
Update**

## **CIAA Leadership Meets with Officials in Washington**

Members of the Cheese Importers Association of America's Executive Committee met in Washington, DC with officials from the U.S. Department of Agriculture (USDA) and key staff for Members of Congress. The purpose of the meetings was to share the impact of the proposed Section 301 tariffs against the European Union (EU) on the U.S. cheese importing community.

### **USDA Meetings**

#### Office of Congressional Relations

Members of CIAA met with Lillie Brady, Deputy Director, External and Intergovernmental Affairs, at USDA. At the meeting, CIAA was able to express the uncertainty that the current Section 301 proceeding is placing on cheese importers and the dairy import licenses they hold, especially as the application period for 2020 is currently open. CIAA members expressed that the proposed tariffs, if set at a 100 percent rate on the proposed cheeses, would cause U.S. cheese importers to face an approximate extra \$1 billion in tariffs on top of those already paid under the tariff-rate quota (TRQ) system. We also expressed that U.S. cheese importers face difficulty in business planning at this time and are unable to make capital investments in their firms due to the uncertainty these proposed tariffs cause. While the U.S. Trade Representative (USTR) is not currently meeting with entities to discuss the impact of the proposed Section 301 tariffs against the EU, Ms. Brady stated that she would share these comments with her colleagues at USTR.

#### Foreign Agriculture Service (FAS)

CIAA also met with Ron Lord, Director, Import Programs and Export Reporting Division, and Abdelsalam El-Farra, Agricultural Marketing Specialist. The meeting focused on the impact of the Section 301 tariffs, Brexit, and elimination of Section 6.25(b).

- Proposed Section 301 Tariffs against EU - CIAA expressed to USDA its concerns that the current proceeding before USTR would have unintended consequences on the dairy import license program. FAS indicated that USDA would not view the imposition of these tariffs as *force majeure* and as such would not use that provision to waive any quota allocation and licensing requirements if the tariffs are imposed on European cheeses. While the Section 301 proceeding before USTR is not yet complete, FAS indicated that cheese importers should prepare to be impacted as dairy has been the previous target of trade actions between the U.S. and the EU. FAS stated that if these tariffs are imposed on cheeses imported from the EU, CIAA is encouraged to meet with FAS again to discuss possible areas of relief that are within FAS's discretion (e.g. reopen the application period to make quota adjustments, suspend the application of Section 6.25(b), etc.).
- Brexit -A free trade agreement (FTA) with the United Kingdom (UK) is still a high priority for the U.S. should the UK leave the EU. For the current 2020 license application period, USDA is encouraging cheese importers to apply for licenses as if the UK is a part of the EU, because the UK is still considered a part of the EU under the Harmonized Tariff System of the United States. Should the UK leave the EU, the USTR would need to initiate a rulemaking for the UK to receive separate treatment under the tariff system. This process can take several years to complete, but would go faster if the U.S. entered into a FTA with the UK. Additionally, any free trade agreement between the U.S. and UK will determine what, if any, TRQs are allocated for the UK. CIAA continued to urge that, in whatever final agreement is provided, that there be a new TRQ for the UK, rather than splitting out a portion of the existing EU TRQ. Under that approach, importers would continue to have maximum flexibility in the use of their licenses, while not losing access to UK product.
- Elimination of Section 6.25(b) - A brief discussion was held on when CIAA should anticipate FAS to open a rulemaking related to Section 6.25(b). While FAS was unable to provide a specific date upon which the rulemaking docket will open, FAS stated that CIAA should anticipate a docket opening no later than spring 2020. FAS suggested CIAA should be prepared to comment widely on it once the rulemaking is issued. CIAA pressed its view that the multiple suspensions of 6.25(b) demonstrate that there is no discernible practical value to the rule and that it should be eliminated, rather than reissued with another suspension.

### Congressional Meetings

CIAA members meet with the staff from the following Congressional offices:

- Congressman Bill Pascrell (D-NJ)
- Congresswoman Nita Lowey (D-NY)
- Senator Cory Booker (D-NJ)
- Senator Kirsten E. Gillibrand (D-NY)
- Senator Bob Menendez (D-NJ)
- Congresswoman Mikie Sherrill (D-NJ)

These meetings were important to garner support from Congress regarding CIAA's position that the Section 301 tariffs should not apply to cheeses imported from the EU. In these meetings, CIAA was able to express the significant impact these tariffs are expected to have on cheese importing businesses and U.S. jobs. CIAA has support from the offices visited. As such, it is CIAA's hope that some members will send letters to USTR similar to the [letter](#) Congressman Bill Pascrell sent in July 2019 regarding the impact of these proposed tariffs on the import of cheese from the EU.

If you have questions, please contact Kyle Gilster or Emily Lyons at [CIAAGeneralCounsel@huschblackwell.com](mailto:CIAAGeneralCounsel@huschblackwell.com). Kyle and Emily accompanied members of the Executive Committee to the meetings and can provide further information on the discussions.

Best regards,  
Phil Marfuggi  
President  
CIAA

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*Dates to Remember*

**September 16, 2019**

Last day of licensees applying for reallocated license amounts for 2019

**October 1, 2019**

Last day to surrender 2019 license amounts

**October 15, 2019**

Last day of 2020 license applications

**November 7, 2019**

Member Meeting  
9:30 am - 11:30 am  
Saddle Brook Marriott  
Saddle Brook, NJ

**January 19, 2020**

Winter Fancy Food Show Reception  
5:00 pm - 7:30 pm  
Thirsty Bear Organic Brewery  
San Francisco, CA

**May 1, 2020**

Member Meeting  
9:30 am - 11:30 am  
Saddle Brook Marriott  
Saddle Brook, NJ

**May 1, 2020**

Annual CIAA Dinner Dance  
6:30 pm - 10:30 pm  
Liberty House  
Jersey City, NJ

\* If a deadline date falls on a Saturday, Sunday, or Federal holiday, the deadline will be the next business day (Section 6.36(a) of the Dairy Tariff-Rate Import Quota Licensing Regulation). This does not apply to dates of entry for eligibility.

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**Cheese Importers Association of America**

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