



Bulletin 21-68 December 16, 2021

CIAA Bulletin

An Exclusive CIAA Member
Update

FTC Investigates Supply Chain Issues and Impact on Consumers

The Federal Trade Commission (FTC) has [launched an inquiry](#) into the ongoing supply chain disruptions that many cheese importers have faced over the last year. Using a compulsory process to investigate the competitive impact of supply chain disruptions in consumer goods, under Section 6(b) of the Federal Trade Commission Act, 15 U.S.C. § 46(b), FTC is requiring nine large retailers, wholesalers, and consumer good suppliers to supply information on the causes for the disruptions and the serious and ongoing impact for consumers and competition. Additionally, the FTC is requesting comments from the public, including retailers, suppliers, wholesalers, consumers, and other interested parties.

The FTC intends understand the disruptions better and “examine whether supply chain disruptions are leading to specific bottlenecks, shortages, anticompetitive practices, or contributing to rising consumer prices.”

Mandatory Responses

Section 6(b) authorizes the FTC to conduct market studies on broad issues without a specific law enforcement purpose. The nine companies that received [orders](#) under the FTC market study have 45 days to respond.

These companies must identify the following information:

- The primary factors that are disrupting the procurement, transportation, and distribution of their products.
- The impact of disruptions, including on cancelled and delated orders and increased costs and prices.
- The most affected products, suppliers, and inputs.
- The actions taken to alleviate disruptions.
- The allocation of products across locations when in short supply.

The FTC is also requesting internal documents from these companies related to the disruptions, including supply chain strategies, inventory strategies including the use of category captains, pricing, marketing, acceptance or use of trade promotions, costs, profit margins, sales volumes, selection of suppliers and brands, and market shares.

Potential CIAA Contributions

In addition to these ordered disclosures, the FTC is [requesting voluntary comments](#) from retailers, suppliers (including importers), wholesalers, and consumers. The FTC is seeking comments that provide information on related issues and examples of the impacts that supply chain disruptions have had on competition.

Specific to CIAA, the FTC is looking for similar information as that outlined for the mandatory respondents, such as the causes, affects, and experiences of disruptions. This would include the competitive effects from disruptions, solutions adopted to alleviate the disruptions, and products and input categories affected. Additionally, the FTC is requesting information on the outlook on disruption over the next quarter and year, the impact of any expected shortages, and the impact of slotting fees or category captains, if applicable.

The public comments will be published on [regulations.gov](https://www.regulations.gov), and as such the FTC has warned to not include any sensitive or confidential information. Additionally, there is a chance that the FTC would follow-up to a public comment with a mandatory order for information. Because of that, CIAA is considering filing comments which would provide aggregate and anonymous information about member supply chain experiences. Members are welcome to share information with the Husch Blackwell team for inclusion in the association's comments.

Voluntary comments are due to the FTC on January 29, 2022.

CIAA members that have questions regarding this investigation or have examples that they are willing to provide should contact the Husch Blackwell team at CIAAGeneralCounsel@huschblackwell.com.

DATES TO REMEMBER

DECEMBER 20, 2021

(approximately) FAS issues first notice of calendar year 2022 licenses to licensees.

DECEMBER 31, 2021

Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2021 license amount. Last day for which calendar year 2021 licenses are valid

JANUARY 1, 2022

First day of validity for calendar year 2022 licenses.

FEBRUARY 6, 2022

Fancy Food Show Reception

5:00 PM - 7:30 PM
Gordon Biersch Brewery
Las Vegas

MARCH 1, 2022 (approximately)

FAS issues final notice of calendar year 2022 licenses to licensees.

March 15, 2022

The license fee for each license issued is due and payable in full no later than March 15 of the year for which the license is issued. Licenses issued after March 15 of any quota year are payable in full no later than 10 days from the date of issuance. Fee payments are payable to the Treasurer of the United States and shall be made solely utilizing the electronic software designated for the purpose by the Licensing Authority.

MAY 6, 2022

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

MAY 6, 2022

Dinner Dance
Liberty House
Jersey City, NJ

JULY 1, 2022

Last day for an exporting country that is not designating importers for calendar year 2022 to notify FAS.

AUGUST 31, 2022

Last day to enter dairy products into U.S. Customs territory that may be used to qualify and establish eligibility for a calendar year 2022 license.

SEPTEMBER 1, 2022

First day of license eligibility period for next quota year-plus one. Example: entries made on or after September 1, 2022 can be used to establish eligibility for a license for calendar year 2023.

SEPTEMBER 1, 2022

Last date to request globalization of a calendar year 2022 license.
First transmission date for applications for reallocated license amounts for calendar year 2022.
First transmission date for all applications for calendar year 2023 licenses.

SEPTEMBER 15, 2022 (no exceptions)

Last transmission date for licensees applying for reallocated license amounts for calendar year 2020.

OCTOBER 1, 2022 (no exceptions)

Last transmission date for licensees to surrender all or the unused portion of their calendar year 2022 licenses.

OCTOBER 15, 2022 (no exceptions)

Last transmission date for all applications for calendar year 2021 licenses.

OCTOBER 31, 2022

Exporting countries that are designating U.S. importers for calendar year 2023 must submit their designations to FAS by this date.

DECEMBER 20, 2022 (approximately)

FAS issues first notice of calendar year 2023 licenses to licensees.

DECEMBER 31, 2022

Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2022 license amount. Last day for which calendar year 2022 licenses are valid.

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