

June 5, 2002

Congressman Philip M. Crane (R-IL)
Chairman, Subcommittee on Trade
House Ways and Means

**RE: SUBCOMMITTEE ON TRADE - Response to Written Comment Request –
Miscellaneous Duty Suspension Bills - Milk Protein Concentrate and Casein Quota
and Tariff**

The Honorable Philip M. Crane:

This letter is to urge that H.R. 1786 not be included in the Technical Corrections to U.S. Trade Laws and Miscellaneous Duty Suspension Bills for the upcoming Trade Bill, due to the far reaching impact it will have on infants, sick people and older Americans.

Mead Johnson Nutritionals creates formulas that nourish babies around the world, including those with common feeding problems and those with specialized feeding needs. We also make products that meet the special nutritional needs of adults, including cancer patients, diabetics and the elderly who need more calories in their normal diets. It's for people like these that we make a variety of special needs products that are well-known names among healthcare professionals everywhere.

Many of these special needs products are made with Casein and/or Milk Protein Concentrates because they provide an excellent source of protein that does not compromise the health of people who cannot tolerate the lactose present in significant amounts in domestically supplied milk protein sources. As a result we are very concerned about proposed legislation that would place a quota on these materials and price the products beyond the reach of many patients.

There is a legitimate concern that some manufacturers in the U.S. may be using imported Milk Protein Concentrates and Caseins to circumvent the milk price support system. Where this happens it does cause a negative effect on farmers and the government programs that are designed to protect domestic milk production.

However, the corrections contained in H.R. 1786 overcompensate for this potential harm and do not allow for the important medical and nutritional needs that have been met by imported Caseins and Milk Protein Concentrates for several decades.

There are no suitable domestic manufacturers of casein or Milk Protein Concentrate that can supply these food ingredients used in preparing lactose free products. (Lactose is the component of milk most likely to cause milk intolerance among many children and adults.) As a result, Caseins and Milk Protein Concentrates will still have to be imported at much higher cost that will be passed to consumers, their insurers and the government programs like WIC, Medicaid and Medicare, that as you know, protect our most vulnerable citizens. This tariff will also move many more citizens into that category.

Additionally, quotas imposed on Milk Protein Concentrates and Casein could result in claims by the producers in other countries that have been supplying Milk Protein Concentrates and Casein through the years.

What should be done to address the root problem? One option would be to narrow the scope of any legislative solution to target the products causing the majority of the harm. For instance, target low concentration Milk Protein Concentrates that are, or can be used economically in place of milk powder rather than targeting all Milk Protein Concentrate products. Exempt Milk Protein Concentrate and Casein used in selected types of end products (such as lactose free infant formulas and nutritional supplement beverages), that have to use Milk Protein Concentrate or Casein to protect the consumers that cannot tolerate the lactose in milk proteins. Or, use approaches other than tariffs and quotas. H.R. 1016 and S. 117 both address the use of dry Milk Protein Concentrates and Casein instead of milk in cheese production.

In summary, H.R. 1786 addresses a complex issue in a manner with a host of undesirable impacts on Americans whom can least recover. It should not be included in a technical correction. It should be addressed separately to allow these complex issues to be better and more equitably resolved.

Sincerely,

Thomas R. Ward
Vice President, Global Integrated Supply Chain
Mead Johnson Nutritionals