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The Honorable Phil Crane
United States House of Representatives
Washington, DC 20515

May 30, 2002

Dear Representative Crane:

On behalf of Novartis Nutrition Corporation, I am writing to express my opposition to HR 1786, which will place certain milk protein and casein products into a new tariff-rate quota. We believe this legislation would substantially increase the costs of imported milk protein concentrates (MPC), casein, and caseinates. For Novartis Nutrition, the legislation could result in cost increases of \$5.1 Million USD, as well as supply limitations of important milk proteins, used in many different segments of the food, medical, and manufacturing industries.

Novartis Nutrition is dedicated to researching, producing and marketing medical nutrition products. These products are designed to meet the special nutritional needs of a wide variety of medical conditions for patients or residents in hospitals, nursing homes, clinics and at home. These products are either nutritional supplements or enteral formulas. Enteral formulas are typically delivered using a feeding tube. They provide all nutrients necessary to sustain and promote life. As such, they are critically important to the well being of the patient.

Novartis Nutrition currently services over 31,450 hospitals, nursing homes, restaurants and Home Healthcare providers. Our product's range from enteral feeding formulas, thickened products for dysphasia patients, to specially fortified drinks, ice creams, cookies as well as a wide variety of other medical foods all sold under the Resource, Dietsource and Nutrisource brand names.

One of the key components of our nutritional products is protein. It is vital that the protein be of high quality. Milk proteins are one of the highest quality proteins found in nature. The typical dairy protein used in enteral formulas is caseinate. The reasons for not using fluid milk or nonfat dry milk will be covered below.

There are other domestically produced proteins that are of high quality. In particular, these are egg white protein, soy protein, and beef. Each of these has limitations that prevent their use in many of our nutritional products.

Some of the key reasons for the use of caseinate in our nutritional products follow:

1. Thermal process stability

Caseinates are stable under the thermal process conditions necessary to render a liquid product commercially stable. Egg white protein would coagulate under these conditions, resulting in a product that would not be deliverable via a feeding tube.

2. Low viscosity:

Caseinates provide a low viscosity liquid product, which is essential when the product is to be delivered using [a] small diameter feeding tube. It may be possible to create a liquid using other high quality proteins, such as soy or meat, however the liquid is of too high a viscosity to permit flow through feeding tubes.

3. Emulsion Stability:

Caseinates are excellent stabilizers of liquid complete nutrition products. The use of meat proteins and certain soy proteins in liquid tube feedings will over time result in the oil separating from the bulk phase, resulting in a product that appears spoiled, or defective.

4. Allergenicity and Tolerance

Caseinates are lactose free. Fluid milk or nonfat dry milk, a domestic source of high quality milk protein, contains lactose, a milk sugar to which certain individuals are intolerant. In addition, other individuals are allergic to products containing egg. Other individuals cannot consume meat products for religious reasons.

It is for these reasons that the majority of products manufactured by our company are formulated with caseinates.

To our knowledge neither caseinates nor high quality milk protein concentrates are manufactured in the United States. We and thus the consumers we serve have no alternative source of supply in the economic quantities necessary to make our nutritional products.

We appreciate your consideration. If you have any questions or need additional information, please contact me or Tracy Haller in our Washington office at 202-662-4370.

Sincerely,

Joe Heron
Sr. Vice President
Novartis Nutrition