

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

(Investigation No. 332-453)

Conditions of Competition for Milk Protein Products in the U.S. Market

AGENCY: United States International Trade Commission

ACTION: Institution of investigation and scheduling of public hearing

EFFECTIVE DATE: June 5, 2003

SUMMARY: Following receipt of the request on May 14, 2003, from the Senate Committee on Finance, the Commission instituted investigation No. 332-453 *Conditions of Competition for Milk Protein Products in the U.S. Market*, under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)).

As requested by the Committee, the Commission will conduct an investigation and provide a report on competitive conditions for milk protein products in the U.S. market. In its report the Commission will provide, to the extent possible, the following:

- an overview of the global market for milk proteins in their various forms, including such factors as consumption, production, and trade during the period 1998-2002;
- profiles of the milk protein industries of the United States and major dairy exporting countries, and in particular, the industries of Australia, New Zealand, and the European Union;
- information on the overall level of government support and other government intervention affecting producers of milk proteins in the United States and in each of the above-referenced trading partners together with a discussion of competitive factors, including government policies, that impact U.S. production, use, and trade in milk protein products in their various forms;
- information on U.S. imports and exports of milk protein in its various forms with data broken down, to the extent possible, by protein content, end use, and manufacturing processes;
- a history of U.S. tariff classification of milk proteins and tariff treatment of these products, including any fees or quotas imposed under section 22 of the Agricultural Adjustment Act, tariff rate quotas established pursuant to the Uruguay Round Agreements, and U.S. Customs Service classification decisions;
- a qualitative and, to the extent possible, quantitative assessment of how imported milk proteins affect farm level milk prices in the United States; and,
- other information relating to competitive factors affecting: (1) the U.S. industry that imports and consumes milk proteins; (2) the U.S. industry that supplies competitive products, and (3) the competitive factors, including government policies, that impact potential U.S. production of milk proteins in their various forms.

As requested by the Committee, the Commission's report will provide information on the competitiveness of a variety of milk proteins in the U.S. market, focusing on milk protein concentrate, casein, and caseinate and the market for those products compared with other milk proteins, including whole milk, skim milk, dried whole milk, dried skim milk, whey, dried whey, and whey protein concentrates, covering the period 1998-2002. As requested, the Commission will transmit its report to the Committee by May 14, 2004. The Committee indicated that it intends to make the report public.

FOR FURTHER INFORMATION CONTACT: Industry-specific information may be obtained from Jonathan Coleman, Project Leader (202-205-3465 or jcoleman@usitc.gov) or Warren Payne, Deputy Project Leader (202-205-3317 or wpayne@usitc.gov), Office of Industries, U.S. International Trade Commission, Washington, DC 20436. For information on legal aspects of this investigation, contact William Gearhart of the Office of General Counsel (202-205-3091 or wgearhart@usitc.gov). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on (202-205-1810).

PUBLIC HEARING: A public hearing in connection with the investigation will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC beginning at 9:30 a.m. on December 4, 2003. All persons shall have the right to appear, by counsel or in person, to present information and to be heard. Requests to appear at the public hearing should be filed with the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436, no later than 5:15 p.m., November 20, 2003. Any prehearing briefs (original and 14 copies) should be filed not later than 5:15 p.m., November 24, 2003, the deadline for filing post-hearing briefs or statements is 5:15 p.m., December 18, 2003. In the event that, as of the close of business on November 20, 2003, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or non-participant may call the Secretary (202-205-1816) after November 20, 2003, to determine whether the hearing will be held.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements concerning the investigation. Commercial or financial information that a submitter desires the Commission to treat as confidential must be submitted on separate sheets of paper, each clearly marked "Confidential Business Information" at the top. All submissions requesting confidential treatment must conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.6). All written submissions, except for confidential business information, will be made available for inspection by interested parties. The Senate Committee on Finance has requested that the Commission prepare a public report (containing no confidential business information). Accordingly, any confidential business information received by the Commission in this investigation and used in preparing the report will not be published in a manner that would reveal the operations of the firm supplying the information. To be assured of consideration by the Commission, written statements relating to the Commission's report should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on December 18, 2003. All submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's Rules, as amended, 67 Fed. Reg. 68036 (Nov. 8, 2002). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

LIST OF SUBJECTS: milk proteins, government intervention, tariffs, and imports.

By order of the Commission.

Marilyn R. Abbott
Secretary

Issued: June 6, 2003