



Musco Food Corporation

Importing Fine Italian Cheese and Gourmet Food Since 1926

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Import Programs and Export Reporting Division
Office of Trade Programs
Foreign Agricultural Service
U.S. Department of Agriculture, Room 5526
1400 Independence Avenue SW.
Washington, DC 20250-1021

February 20, 2015

RIN 0551-AA82, Federal Register Vol. 79, No. 246, Tuesday, December 23, 2014, Pages 76919

Dear Mr. El-Farra:

Thank you for this opportunity to submit comments in response to the proposed rule to amend the Dairy Tariff-Rate Import Quota Licensing Program as published in the Federal Register on December 23, 2014. This rule making activity needs to be completed as quickly as possible in order to provide certainty for import planning decisions.

I support the three changes to the proposed rule recommended by the Cheese Importers Association of America -

§6.25(b)(1)(i) suspension- While I support the proposed rule providing a 7 year suspension, I highly recommend the elimination of §6.25(b)(1)(i) because it threatens the business of importing high-quality specialty cheeses. Even with this extended suspension, it is important that the risk of losing quota allocation be done moving forward from 2023, rather than looking back at license usage during the period of 6.25(b)(1)(i) suspension.

Importers should not be penalized because of instances beyond our control cause us not to use our quota. For example, the demand for that countries cheese may not be as strong because of price, distribution, currency inequities, or other events beyond the control of the importer. While these events may be temporary, it should not preclude us importers from having the opportunity to import this same product in subsequent years. One or two bad years, for whatever reason, is not justified in curtailing the license. It will also penalize us as employers because we will be forced to reduce our workforce if importing opportunities are limited.

Cont.

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For these reasons, I join with CIAA in urging and recommending that 6.25(b)(1)(i) be amended to read as follows:

"(i) Beginning with the 2023 quota year, a person who surrenders more than 50 percent of such historical license in at least three of the subsequent 5 quota years will be thereafter issued a license in an amount equal to the average annual quantity entered during those 5 quota years."

Collection of license fees - I support CIAA's agreement with both proposed §6.33(b) tightening the timeline for making payments and requiring payment in full within 10 days from the date of the issuance of the license, rather than the current 30 day period, and with §6.33(c) requiring that an applicant who applies for and is issued a license pay for all licenses issued, or a hold will be placed on all licenses of such applicant. I also have concerns about the license fees themselves. The fee charged for each license has increased by more than 66% in recent years, going from \$150 in 2011 to \$250 now. If by making this change USDA feels it will be better able to manage the program's budget, then I would hope further increases in license fees may be avoided.

Exclusive use of electronic communications as proposed in §6.24 - I am concerned with problems that have been encountered with coordination between the USDA system and US Customs as it pertains to usage of licenses, especially the "NO LICENSE" qualifying entries. Sending a copy of the actual US Customs 7501 by mail to USDA is an important proof of documentation because the "NO LICENSE" qualifying entries are not electronically recorded in the Dairies License website from US Customs system. USDA and US Customs must review the electronic link between their systems as it pertains to the "NO LICENSE" cheese qualifying entries this year. I agree with CIAA in urging the continuation of the present system until such time as interagency electronic communications are improved.

Thank you for this opportunity.

Sincerely,

Joseph Chiavetta

Joe Chiavetta
Controller
MUSCO FOOD CORP.