



# AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

The Honorable Bill Frist  
Majority Leader  
S-230, The Capitol  
Washington, DC 20510

October 1, 2004

Dear Majority Leader Frist:

Americans for Tax Reform strongly urges you to reject H.R. 1160, which would impose trade barriers on imports of milk protein concentrate (MPC), casein and caseinates. These dairy ingredients are found in popular consumer goods and specialty foods such as frozen pizza, coffee creamer, cheese products, geriatric beverages, baby formula and a multitude of nutritional drinks and products.

As the International Trade Commission (ITC) stated in a May 2004 report, the U.S. has been forced to import dairy ingredients as the federal Dairy Price Support Program creates a major economic *disincentive* for domestic production of MPC, casein and caseinates. Instead of allowing another tariff – which is a hidden tax – on consumers who purchase these products every day, Congress should instead fix the archaic federal dairy subsidy program that encourages overproduction at significant annual cost to taxpayers.

Imposing tariffs here at home also encourages retaliatory tariffs on U.S. products abroad, making these products less competitive in foreign markets. Clearly, now is not the time to erect new trade restrictions and tariffs and an additional tax on American consumers.

Again, we urge you to reject H.R. 1160, which restricts access to these important ingredients. Unrestricted access will allow manufacturers to continue to meet growing customer demand with innovative food, beverage, medical and pharmaceutical products.

Sincerely,

Grover Norquist

Cc: Republican Members, United States Senate