FTAA - COMMITTEE OF GOVERNMENT REPRESENTATIVES ON THE PARTICIPATION OF CIVIL SOCIETY

COVER SHEET

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Intellectual Property Rights		The FTAA Process	
Investment		Other:	
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EXECUTIVE S	SUMMARY – 2	pages maximum - (see Open Invitation):	



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27 September 2000

The Honorable Ana Maria Solares
Chairwoman
Committee on Government Representatives on
the Participation of Civil Society of the
Free Trade Area of the Americas

c/o Tripartite Committee Economic Commission for Latin America and the Caribbean (ECLAC) 1825 K Street Suite 1120 Washington, D.C. 20006

> RE: <u>ELIMINATION OF TARIFFS FOR FROZEN LEMON JUICE</u> <u>CONCENTRATE AS PART OF THE FTAA NEGOTIATIONS</u>

Dear Madam Chairwoman:

Pursuant to the public invitation made to civil society by the Committee of Government Representatives on the Participation of Civil Society of the Free Trade Area of the Americas (FTAA) to submit comments on trade matters related to the FTAA process, using the San Jose and Toronto Ministerial Declarations as the frame of reference, the Citrus Processors Association of Argentina (CICA) hereby submit the following comments:

CICA is the main trade association representing the interests of the largest and most important lemon juice producer/processors in Argentina. CICA has been a strong supporter of the FTAA efforts to unite the economics of the Western Hemisphere into a single free trade area arrangement in which barriers to trade in goods, services and investment will be eliminated.

In this regard, and in the spirit of the San Jose and Toronto Ministerial Declarations, we respectfully recommend the elimination of all tariffs for Frozen Lemon Juice Concentrate as part of the FTAA process. We would like to specifically recommend that the U.S. tariff for this product be eliminated as soon as possible as part of the FTAA negotiations.

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The U.S. has the highest tariff for Frozen Lemon Juice Concentrate in the world "HTS of the U.S. 2009.30.60.20." It currently stands at more than 65 percent of the value of the imported product. This is in part because the U.S. is one of the few countries in the world that maintains a complex tariff for imports of Frozen Lemon Juice Concentrate based on metric units rather than an "ad valorem" rate. This excessively high and complex "specific tariff" has served for many years as an effective barrier to trade in the Americas.

We would like to point out that other countries in the Americas apply zero to low tariff rates for imports of this product compare to the U.S. For example, Canada's tariff stands at zero while the MERCOSUR's tariff stands at 12% ad valorem. Even the traditionally protectionist European Union, which happens to have a well developed frozen lemon juice concentrate industry in Spain and Italy, imposes a tariff of 20% percent ad valorem.

It also makes no sense for the U.S. to maintain such a high tariff rate since it is a net importer of this product. In closing, we request that our recommendation be included in the Civil Society's committee report that will be presented during the next FTAA Ministerial meeting in Buenos Aires, Argentina in April 2001.

Than you for your attention to this important matter for the Argentine lemon juice sector.

Sincerely,

Vicente I. Trapani

President

ani

Alberto Orcoyen

Vice President

Please reply to:

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