

**No. 14741**

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**UNITED STATES OF AMERICA  
and  
EUROPEAN ECONOMIC COMMUNITY**

**Exchange of letters constituting an agreement relating to the  
importation of cheese. Brussels, 20 December 1974 and  
14 January 1975**

*Authentic text: English.*

*Registered by the United States of America on 7 May 1976.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE**

**Échange de lettres constituant un accord relatif à l'importa-  
tion de fromages. Bruxelles, 20 décembre 1974 et  
14 janvier 1975**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 7 mai 1976.*

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN  
THE UNITED STATES OF AMERICA AND THE EUROPEAN ECO-  
NOMIC COMMUNITY RELATING TO THE IMPORTATION OF  
CHEESE

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*The Deputy Director General for External Relations, Commission of the European Communities, to the American Ambassador, United States Mission to the European Communities*

COMMISSION OF THE EUROPEAN COMMUNITIES  
DIRECTORATE-GENERAL FOR EXTERNAL RELATIONS

Brussels, December 20, 1974

Dear Mr. Ambassador:

Following the suspension by the EC on July 12, 1974, of restitution payments on the export of dairy products to the United States' Zone, you brought to our attention that certain cheeses are being imported from the European Community into the Continental US after having been previously imported into (1) Puerto Rico, the Virgin Islands or other US possessions and territories, and (2) third countries. These shipments, of course, received the EC export restitution payment in effect for exports to third countries. As you know, the intent of the EC common agricultural policy rules is that the restitution payments are made in order to make it possible to sell the dairy products in the country of destination. Transshipments from one zone to another are clearly not intended by these rules.

The Commission has taken certain measures to prevent these transshipments, which may appear to you insufficient to solve the problem mentioned above. Therefore you may take such additional measures, other than countervailing duties, as may legally be possible to prevent such transshipments of certain cheeses to which restitution payments are applicable provided that:

- (1) this letter shall not be invoked to prevent the shipment or transshipment of dairy products as to which no restitution payments are applicable,
- (2) this letter shall not be invoked to prevent direct shipments from the EC countries directly to Zone E (Continental US),
- (3) this letter may be withdrawn by us at any time on 20 days' notice.

Our published regulation indicates which dairy products are benefiting from restitution payments at any given time.

Please advise us whether you consider this a suitable basis for solving our present difficulties.

Sincerely yours,

[Signed]

TH. C. HUIZEN

H.E. J. A. Greenwald  
Ambassador  
United States Mission  
Brussels

<sup>1</sup> Came into force on 14 January 1975 by the exchange of the said letters.

## II

*The American Ambassador, United States Mission to the European Communities, to the Deputy Director General for External Relations, Commission of the European Communities*

## UNITED STATES MISSION TO THE EUROPEAN COMMUNITIES

January 14, 1975

Dear Mr. Hijzen:

Thank you for your letter of December 20, 1974, concerning the importation into the U.S. of certain cheeses originating in Member States of the European Community, which have been previously imported into (1) Puerto Rico, the Virgin Islands and other U.S. possessions and territories, and (2) third countries.

We greatly appreciate the steps taken thus far by the Commission on behalf of the European Community to implement the July 12 suspension of restitution payments on dairy product exports to the United States zone, but as we have informed you significant quantities of such products, having benefited from restitution payments, continue to enter the U.S. through third countries or the other areas described above. We therefore accept your letter of December 20, 1974, which states that the U.S. may take additional measures, in accordance with your intention to prevent such shipments, to stop the entry into the United States of "certain EC origin cheeses" to which such restitution payments are applicable.

You are advised that your letter and this response are considered to constitute the legal basis for the application, under Section 204 of the Agriculture Act of 1956, by the U.S. of a prohibition against the importation into the United States or Puerto Rico of "certain EC origin cheeses" upon which restitution payments have been made for export to Puerto Rico, the Virgin Islands, other U.S. possessions and territories, or any country other than the United States.

The three limitations enumerated in your letter are acceptable to the United States.

Sincerely yours.

[Signed]

JOSEPH A. GREENWALD

Mr. Theodorus Hijzen  
Deputy Director General for External Relations  
European Commission  
Brussels

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