



United States  
Department  
Of Agriculture

Farm and Foreign  
Agricultural  
Services

Foreign  
Agricultural  
Service

August 10, 2007

Dear Applicant,

The upcoming application period starting September 1, 2007, continues the successful Internet on-line era for the USDA Dairy Import License Program. The use of the DAIRIES (Dairy Accelerated Importer Retrieval and Information Exchange System) Internet application program allows our program to meet the objectives of the Government Paperwork Elimination Act. More importantly, the use of DAIRIES saves time and simplifies the entire process for applicants and for USDA personnel. The use of DAIRIES allows you to apply for licenses, surrender unused quota, and apply for reallocated quota WITHOUT filling in circles on color paper and sending the paper forms to us by certified mail. Additionally, DAIRIES enables importers to apply for licenses without sending paper copies of Customs Form 7501. The availability of DAIRIES allows you to view your license entries and percentage used without using the cumbersome telephone voice response system which has been discontinued. Finally, future licenses and reallocated quota awarded to you will be posted immediately on DAIRIES for you to view securely and you are now able to pay for your licenses on DAIRIES with a credit card or ACH withdrawal using our secure link with the U.S. Treasury.

The DAIRIES website is intuitive and easy to use. The software includes many features that will alert you to any mistakes or incomplete data as you go through the steps. Instructions for completing the steps are included on the DAIRIES menu page in both Adobe Acrobat and Microsoft Word formats.

You must complete two initial registration steps before you can fully access DAIRIES. The first step is to obtain a “**Level 1 Access**” from the USDA eAuthentication service. **IF YOU PREVIOUSLY OBTAINED A LEVEL 1 ACCESS AND HAVE YOUR USERID AND PASSWORD, YOU MAY SKIP THIS STEP!** The second step is to complete an “**Access Request**” located on the DAIRIES website. **IF YOU PREVIOUSLY COMPLETED THE ACCESS REQUEST FORM, YOU DO NOT HAVE TO COMPLETE ANOTHER ONE.**

The instructions to accomplish both steps are detailed in the accompanying notice. Additionally, the notice, the links to eAuthentication registration and DAIRIES, and this memo are available at the Dairy Import Program application webpage at:

<http://www.fas.usda.gov/itp/imports/license/usdairylicenseapps.asp> .

The process of qualifying and applying through the DAIRIES Internet application is very similar to the process used in previous years using paper applications. A summary of the most important facts and features is included below. I trust you will continue to find using DAIRIES to be reliable and enjoyable.

Anytime that you have questions about the DAIRIES system, or any other component of the Dairy Import License Program, please either send a message to [jorge.martinez@usda.gov](mailto:jorge.martinez@usda.gov) or [bettyann.gonzales@usda.gov](mailto:bettyann.gonzales@usda.gov), or call 202-720-9439 or 202-720-1344. Thank you.

## **HIGHLIGHTS OF THE 2008 LICENSE YEAR APPLICATION PROCESS**

### 1. REQUESTING ADDITIONAL QUOTA

Under Section 6.26(c), a person issued a license for 2007 may submit an application for an additional TRQ amount. This amount may be added to an existing license or used to create a new license. Licensees who qualified in 2007 for only non-cheese licenses may not request an additional TRQ amount for cheeses. There is no limit to the number of requests you may submit for additional TRQ amounts to be added to an existing license or as a new license. However, Section 6.23(c)(1) requires that at least 85 percent of a license, **including any additional amounts received under the surrender and reallocation procedures**, must be entered under that license by December 31, 2007, for you to be eligible to receive a license for the same article from the same country in 2008.

After receiving full access to DAIRIES upon completion of the “eAuthentication” and “Access Request” steps, an applicant may proceed directly to the DAIRIES link: [FAS-924Be Application for Requesting Additional Tariff-Rate Quota \(TRQ\)](#) to request additional quota for existing licenses and to request new licenses for reallocated quota. The link for this process will be active from September 1, 2007 through September 15, 2007 for the first round of reallocation, and for an undetermined period for the second round of reallocation.

### 2. SURRENDERING UNUSED QUOTA

Under Section 6.26(a), if any person issued a license for 2007 determines that the entire amount of a license will not be used, the amount that the licensee does not intend to enter before December 31, 2007, shall be surrendered to the Licensing Authority. Section 6.23(c)(1) requires that at least 85 percent of a license, **including any additional amounts received under the surrender and reallocation procedures**, must be entered under that license by December 31, 2007, to be eligible to receive a license for the same article from the same country in 2008. **Any amount surrendered is subtracted from the total license amount to which the 85 percent utilization requirement applies.**

After receiving full access to DAIRIES upon completion of the “eAuthentication” and “Access Request” steps, an applicant may proceed directly to the DAIRIES link: [FAS-924Ae License Surrender Form](#) to surrender unused license quotas. The link for this process will be active from September 1, 2007 through October 1, 2007.

### 3. APPLYING FOR CHEESE AND NON-CHEESE LICENSES

The links for the cheese and non-cheese license application process will be active from September 1, 2007 through October 15, 2007. After receiving full access to DAIRIES upon completion of the “eAuthentication” and “Access Request” steps, an applicant must proceed first to the DAIRIES link: [FAS-923e Certification Form for Dairy Import Licenses](#) to begin the application process. Once the certification form has been submitted electronically to USDA, the applicant may proceed at any time prior to October 15<sup>th</sup> to the DAIRIES link: [Selection of Entries to Qualify \(For Importers Only\)](#).

## **HIGHLIGHTS OF THE 2008 LICENSE YEAR APPLICATION PROCESS**

The Selection of Entries to Qualify (For Importers Only) allows an applicant to select entries to qualify for cheese, non-cheese articles, or both at the same time. We suggest that you select “BOTH” or “CHEESE” in the drop-down box if you will be applying for licenses for cheese and non-cheese articles. When you select “BOTH” or “CHEESE” in the drop-down box, the system will accept only cheese entries as qualifying entries and, if you satisfy the cheese license requirement, the system will simultaneously qualify you for non-cheese licenses. After the qualifying entries have been submitted electronically to USDA, the applicant for lottery licenses may proceed at any time prior to October 15<sup>th</sup> to the DAIRIES links: FAS-923Ae Application for Non-Historical Cheese Licenses and FAS-923Be Application for Non-Historical Non-Cheese Licenses. You may submit qualifying entries to USDA only one time.

### **4. ERRORS**

If you experience any difficulties with the selection of qualifying entries, or need to redo your entries, or need to correct any data from any step that you have already submitted to USDA, just call 202-720-9439 or 202-720-1344 and ask us to delete your original submission so that you may repeat the process. You may also notify us by email at: [jorge.martinez@usda.gov](mailto:jorge.martinez@usda.gov) or [bettyann.gonzales@usda.gov](mailto:bettyann.gonzales@usda.gov) .

### **5. RECORD OF SUBMISSIONS**

The DAIRIES website contains a section that allows you to access a record of your transmittals to USDA. The records include the certification form, qualifying entries, non-historical cheese license application, non-historical non-cheese license application, surrendered license amounts, and additional quota requested.

### **6. SPAM FILTER**

Please modify any spam filter attached to your email account to ensure that messages with the USDA.GOV suffix are not blocked. If you do not receive an anticipated email from us, first check your spam folder before contacting USDA.

### **7. SPECIFIC INFORMATION FOR IMPORTERS, MANUFACTURERS, AND EXPORTERS**

Please review the important eligibility criteria and guidance on the following three pages as applicable for your application status. You must identify your status as an importer, manufacturer, or exporter on the FAS-923e Certification Form for Dairy Import Licenses.

## IMPORTERS

**To apply for:**

Historical Licenses	You must complete Form FAS 923e. Additionally, you must previously have been issued an historical license in 2007 for the specific article from the country for which you are applying for a 2008 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. In the main ranking, you may rank-order requests in descending order of preference for no more than 6 cheeses. Additionally, you may select up to 8 cheeses under each of the following categories: high, medium, and low.
Non-historical Licenses for non-cheese articles	You must complete Forms FAS 923e and 923Be. On Form 923Be, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.
Designated Importer - Cheese Licenses	You must complete Form FAS 923e. Additionally, we must receive notification from the government of the supplying country that you are designated as an importer of specific cheese(s).

**Eligibility Criteria for Importers Applying for Any of the Above Licenses:**

You must identify sufficient entries at the DAIRIES link: [Selection of Entries to Qualify \(For Importers Only\)](#) to demonstrate that you were the owner of and importer of record of cheese or non-cheese imports, per the criteria below, that you entered during the **September 1, 2006 - August 31, 2007** eligibility period:

**CHEESE License Criteria:**

Identify entries for 3 or more separate commercial import entries of **cheese**, totaling not less than **57,000 kg.** net weight, with at least 3 of the entries being a minimum of 2,000 kg. net weight; or, identify entries for 8 or more separate commercial import entries of **cheese**, totaling not less than **19,000 kg.** net weight, with at least 8 of the entries being a minimum of 450 kg. net weight, and with a *minimum* of 2 entries taking place in each of at least 3 quarters of the eligibility period. The four quarters of the eligibility period are: Sept-November, December-February, March-May and June-August.

**NON-CHEESE License Criteria:**

Identify entries for 3 or more separate commercial import entries of **dairy products**, totaling not less than **57,000 kg.** net weight, with at least 3 of the entries being a minimum of 2,000 kg. net weight; or identify records for 8 or more separate commercial import entries of **dairy products**, totaling not less than **19,000 kg.** net weight, with at least 8 of the entries being a minimum of 450 kg. net weight, and with a *minimum* of 2 entries taking place in each of at least 3 quarters of the eligibility period. The 4 eligibility period quarters are: Sept-Nov, Dec-Feb, March-May and June-August.

## MANUFACTURERS

### To apply for:

Historical Licenses	You must complete Form FAS 923e. You must previously have been issued an historical license in 2007 for the specific article from the country for which you are applying for a 2008 license.
Non-historical Licenses for cheese	You must complete Forms FAS 923e and FAS 923Ae. In the main ranking, you may rank-order requests in descending order of preference for no more than 6 cheeses. Additionally, you may select up to 8 cheeses under each of the following categories: high, medium, and low.
Non-historical Licenses for non-cheese articles	You must complete Forms FAS 923e and 923Be. On Form 923Be, you may rank-order requests in descending order of preference for no more than 8 non-cheese articles.

### Eligibility Criteria for Manufacturers:

#### CHEESE license criteria

You are certifying on Form FAS 923e that:

Your firm meets the eligibility requirements of section 6.23, i.e., you are the owner or operator of a plant that is currently listed in the USDA *Dairy Plants Surveyed and Approved for USDA Grading Service* book in either Section I, as a processor of cheese, or Section II, as a processor or packager of cheese; AND  
Your plant processed or packaged at least 450,000 kg. of cheese or cheese products in your own plant in the United States during **September 1, 2006 - August 31, 2007**.

#### NON-CHEESE license criteria

You are certifying on Form FAS 923e that:

Your firm meets the eligibility requirements of section 6.23, i.e., you are the owner or operator of a plant that is currently listed in the USDA *Dairy Plants Surveyed and Approved for USDA Grading Service* book; AND  
Your plant manufactured, processed, or packaged at least 450,000 kg. of dairy products in your own plant in the United States during **September 1, 2006 - August 31, 2007**.

**Section 6.27(b) requires a licensee who is eligible as a manufacturer or processor to process at least 75 percent of its licensed imports in the person's own facilities and to maintain records necessary to substantiate this fact.**



