



**U.S. Dairy
Export Council®**

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To: Office of Government Ethics,
Suite 500, 1201 New York Avenue, NW.
Washington, DC 20005-3917
Attention: Richard M. Thomas, Associate General Counsel.

RE: RIN# 3209-AA04, Proposed Amendments to Part 2635

Date: December 14, 2011

**Comments by the U.S. Dairy Export Council
On Proposed Amendments to Part 2635
Regarding Limiting Gifts from Registered Lobbyists and Lobbying Organizations
Contact: Tom Suber, president, USDEC (tsuber@usdec.org)**

We appreciate the opportunity to comment on the proposal to extend and expand the ban on gifts from lobbyists. The U.S. Dairy Export Council (USDEC) is a non-profit, independent membership organization that represents the export trade interests of U.S. milk producers, proprietary processors, dairy cooperatives, and export traders.

As one of 21 registered "Cooperators" under USDA's Foreign Market Development (FMD) Cooperator Program, USDEC enters into project agreements with the Foreign Agricultural Service to share the costs of certain overseas marketing and promotion activities that are intended to create, expand, or maintain foreign markets for U.S. agricultural commodities and products. To participate in the cooperator program, an entity must be a non-profit U.S. agricultural trade organization and contribute at least 50 percent of the value of resources provided by FAS for activities conducted under the project agreement. Some Cooperators, including USDEC, employ lobbyists to deal with matters unrelated to the activities under the Cooperator Program.

The proposed changes to the lobbyist gift ban regulation would, *inter alia*, impose new restrictions on career government employees participating in widely-attended events if the invitation came from a company or trade association employing even a single lobbyist. Similarly, the proposal would end the current exception for accepting meals overseas at events on foreign soil if the invitation to an event came from a company or trade association that employed even one lobbyist on its payroll, regardless of whether such lobbyist(s) had anything to do with the activities related to the event.

We are concerned that in the interest of minimizing the influence of lobbyists within the Executive Branch, the proposed rule may have the unintended consequence of reducing the effectiveness of certain government programs as well as the effectiveness of the U.S. officials charged with carrying them out. We suspect this will be proven to be true as a general matter, but we are certain that it will be true for our programs and the officials in USDA with which we work.



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Some of the work involved in carrying out market development and export promotion of U.S. food and agricultural products of necessity entails social activities in foreign countries at food and agricultural shows and as part of trade missions. Additionally, Cooperators regularly invite foreign buyers to our country to view our products at the farm level and through the production chain. In each of these cases, government officials would, as we interpret the proposed regulation, be precluded from participating in any meals or social events hosted by the Cooperator as part of these programs if the Cooperator employed even a single lobbyist. Since U.S. Agricultural Counselors, Attachés and Trade Officers in foreign countries are frequently the first point of contact for foreign buyers, their absence at such events would be inexplicable.

These functions, whether here or overseas, are business affairs that often involve a commitment by USDA employees to participate on their own time in the interest of carrying out their responsibilities and the goals of the administration to expand U.S. exports. No one would view an invitation to these events as a “gift” from a lobbyist.

The objective of reducing the potential for lobbyists to obtain a more sympathetic hearing from government officials by virtue of gifts, while no doubt important, in this case could prove counter-productive and weaken long-standing joint government-private sector efforts to grow U.S. exports and create U.S. jobs.