

I would like to share with my colleagues some additional information that was submitted to me by my good friend, the CEO of the Bumble Bee Seafood Company out of California, in San Diego. Another note to my colleagues:

The Andean Pact nations do not comply with many of the environmental regulations supported by the United States. For instance, one of the Andean Pact countries, Bolivia, does not adhere to the dolphin-safe position of the U.S. market. In addition, many of the Andean Pact countries refuse to take enforcement actions against them.

The bill also penalizes the U.S. tuna industry for being American. Not only do we adhere to minimum wage standards and provide Social Security and medical insurance for our workers, we also enforce U.S. regulations regarding the environment and trade.

The letter says, "I support the U.S. initiative to battle the drug trade." We all know that, Mr. Speaker. But I think what is most important here is that I am making an appeal to StarKist Tuna Company and its parent company, Heinz Food Corporation, to join with the rest of the U.S. tuna industry to make the U.S. tuna industry a viable and credible industry in our country for the sake of some 10,000 workers who are about to lose their jobs if the Congress does the bidding of Heinz Corporation.

I think this is most unfair, Mr. Speaker; and I will continue working on this issue in the coming weeks and months. I sincerely hope that there will be a reasonable and an equitable solution to this problem that we now have.

Mr. Speaker, I submit for the RECORD the full letter from the CEO of the Bumble Bee Seafood Company, to which I earlier referred.

BUMBLE BEE SEAFOODS,
San Diego, CA, August 22, 2001.

Hon. ENI F. H. FALEOMAVAEGA,
Rayburn Bldg.,
Washington DC.

DEAR CONGRESSMAN FALEOMAVAEGA: I am writing on behalf of Bumble Bee Seafoods, the number one brand of canned seafood and number two brand of canned tuna in the United States. Bumble Bee, the only American company with a financial investment in the Andean tuna industry (in Ecuador), along with Chicken of the Sea and U.S. tuna boat owners, strongly oppose the granting of NAFTA status for canned tuna products to members of the Andean Pact as contemplated in S525.

The U.S. tuna industry has been an essential part of the U.S. economy for close to 100 years. We currently provide more than 10,000 jobs in California, Puerto Rico and American Samoa. In addition, we support an even greater number of jobs in related industries and we underpin the existence of the U.S. high seas tuna fishing fleet that operates throughout the Pacific Ocean.

From a consumer standpoint, canned tuna represents the third fastest moving product category in the entire U.S. grocery business and provides a high quality, affordable source of protein for 96% of U.S. families.

As written, S.525 would significantly damage the U.S. tuna industry, threatening jobs in both the processing and fishing sector. More importantly, it would place our business into foreign hands and benefit countries that do not abide by the same environmental, labor and safety standards imposed on U.S. manufacturers. S525 penalizes the U.S. tuna industry for being American and does an injustice to the U.S. consumer. Let me give you some key facts:

The Andean Pact nations do not comply with many of the environmental regulations supported by the United States. For instance, one of the Andean Pact countries, Bolivia, does not adhere to the dolphin safe position of the U.S. market. In addition, many of the Andean Pact countries refuse to take enforcement action against their flag vessels which have been found to be in violation of IATTC, (Inter American Tropical Tuna Commission) fishing regulations. These actions—or lack of action—threaten the conservation of the tuna stocks.

U.S. Trade policy already provides beneficial access to the U.S. market for the Andean Pact countries through the sale of frozen tuna 'loins'. The current import duty on tuna loins into the United States is less than one half of one percent, which is virtually zero. This trade policy has enabled the Andean Pact tuna industry to explode over the last ten years and supports our position that tuna should continue to be exempted from the Andean Trade Preference Agreement.

ANDEAN PACT TUNA INDUSTRY GROWTH—1990 TO 2000

Number of tuna factories has increased from 7 to 23, up 229%; production capacity has increased from 450 to 2,250 tons per day, up 400%; direct employment has increased from about 3,500 to 12,500, up 257%; exports to the U.S. have grown from about \$15 million to more than \$100 million, up 567%; European exports are up even more significantly; the Andean fishing fleet has grown to the largest in the ETP and now represents more than 35% of the ETP catch.

To put this capacity in perspective, there is enough production capacity in the Andean Pact countries to supply the entire U.S. market. This leads to the real risk of product dumping which will damage the domestic tuna industry. This Andean Pact product is manufactured utilizing labor costs of less than \$0.70/hour and a cost structure that is subsidized by their various governments. This will force the closure of U.S. tuna processing facilities and will decimate the economies of western Puerto Rico and American Samoa where 85% of public sector employment is based on the U.S. tuna industry.

The risk of product dumping has already been experienced by our NAFTA trading partner to the south, Mexico. Mexico recently imposed a 23% import duty on canned tuna products from one of the Andean Pact nations, Ecuador, due to product dumping.

S. 525 is not reciprocal. The bill provides NAFTA duty benefits to the United States market while the Andean Pact countries continue to enforce trade barriers against the U.S. tuna industry by imposing import duties on U.S. produced canned tuna as follows: Ecuador, 20%; Colombia, 20%; Peru, 12%; Bolivia, 10%; Venezuela (a possible addition to the Andean Pact), 20%.

This non-reciprocity also extends to other U.S. produced products that are essential to the processing of canned tuna such as empty cans, packaging and ingredients which are subject to import duties by the Andean Pact countries.

The bill penalizes the U.S. tuna industry for being American. Not only do we adhere

to minimum wage standards and provide social security and medical insurance for our workers, we also enforce U.S. regulations regarding the environment and trade. Providing NAFTA trade benefits to the Andean Pact countries awards them for not complying with these policies.

S. 525 ignores the obligation we have to the U.S. consumer since the quality and food safety standards of many of the tuna processing facilities in the Andean Pact countries are not up to the same standards utilized by U.S. canned tuna processors.

To support the U.S. initiative to battle the drug trade, Bumble Bee has already established tuna loining operations in one of the Andean Pact countries, Ecuador. We are the only American company that has invested in Andean Pact region—close to \$25 million—and we currently provide more than 2,000 jobs.

Yet despite our presence in Ecuador, Bumble Bee does not support S. 525 due to the negative ramifications we have highlighted in this letter.

In summary, S. 525 does not recognize the current tariff benefits on tuna products enjoyed by Andean Pact countries, ignores the tariff recently imposed on tuna products from Ecuador by our primary NAFTA trading partner, will lead to "dumping" that will in turn cause significant harm to the U.S. tuna industry and has significant potential to have negative consequences on the American consumer.

We therefore urge you to exempt canned tuna products from the scope of trade benefits offered by S. 525. There is no justification for granting such trade benefits at this time.

I would like to meet with you to discuss this matter in more detail. I can be reached by phone, e-mail or mail and am happy to travel to Washington to provide any other facts or information that can help you make an informed and responsible decision on this critical piece of trade legislation.

Thank you in advance for your support.

Very truly yours,

CHRISTOPHER LISCHIEWSKI,
President, Chief Operating Officer,
Bumble Bee Seafoods.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today on account of urgent business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WU) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)