



## THE GIC GROUP

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BY:.....

March 1, 2005

Deborah A Garza, Chair  
Jonathan A. Yarowosky, Vice Chair  
Anti-Trust Modernization Commission  
1120 G Street, NW  
Suite 810  
Washington, DC 20005

Dear Ms. Garza and Mr. Yarowosky:

I am writing you as President of GIC Group, which currently serves as Managing Director of Virginia's sole agricultural export trading company--the Virginia Apple Trading Company (VATC). Its membership is all members of the Virginia Apple Growers Association who together represent 70% of all Virginia's apple production.

Virginia accounts for 3% of total apple production in the United States. Over the last ten years, Virginia's apple production has declined 35.4% while exports doubled from 2003 to 2004 when VATC was established. Under the ETC, Virginia has secured a foothold in several new, strategic markets worldwide. VATC has developed into the largest exporter of American apples to Cuba, accounting for 85% of all US apple exports to Cuba, and is now a supplier to such far reaching markets as Russia, the Arab Emirates, Maldives, Central America, and the Caribbean. In other words, the existence of the ETC has contributed greatly to making Virginia a more competitive grower with exports contributing to a larger percentage of total orchard sales.

Given the size of VATC and its relative market share, there are no grounds for concluding that our operations are in any way a restraint on the trade of apples in the US, nor can it be claimed that there is any impact whatsoever on prices for US consumers. Instead, the existence of our ETC permits grower-members to increase their margins. In so doing, our members are becoming competitive exporters with a long-term contribution to the health and sustainability of Virginia's agricultural economy.

We are also striving to direct as much container traffic as possible through the Port of Norfolk, which results in additional business to the port as well as to transportation and port related industries that make up the entire export infrastructure of the state. In this way, VATC is having a multiplier effect for Virginia's economy.

In the absence of any negative impact on the US economy and without any identifiable distortionary impact on trade, we strongly recommend that the Commission endorse the continuation of the ETC exemption.

Respectfully yours,

Richard Gilmore  
President/CEO