

~~United States Surimi Commission~~
Organized under the 1982 Export Trading Company Act

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July 15, 2005

Deborah A. Garza, Chair
Jonathan R. Yarowsky, Vice Chair
Antitrust Modernization Commission
1120 G Street, Northwest, Suite 810
Washington, DC 20005

SENT VIA EMAIL

Re: Comments on Federal Register Notice of May 19, 2005

Dear Ms. Garza and Mr. Yarowsky:

I am writing on behalf of the United States Surimi Commission ("USSC") to respond to your Federal Register notice of May 19, 2005 requesting comments on issues being studied by the Antitrust Modernization Commission. In particular, the USSC would like to voice its support for the Export Trading Company Act ("ETCA") and strongly urge the Commission to recommend continued application of this law to the President and Congress.

By way of background, the USSC is an export trading company ("ETC") that was formed in 1990 to help newly emergent United States fishing companies more effectively compete in their efforts to find export markets for various seafood products they produce in the fisheries of the North Pacific and Alaska. The members of the USSC own and/or operate a fleet of fishing vessels that both harvest and process fish at sea. Our principal area of operation is the Bering Sea, where our member vessels are engaged in the harvesting and processing of pollock (the pollock fishery is the largest fishery in the United States and one of the largest single fisheries in the world). The principal product we produce is surimi (a high-protein fish product that is used in the production of imitation crab and other analog seafood products). Our vessels also produce roe and fish meal. The largest markets for such products are Japan, Korea and other Asian and European markets.

Deborah A. Garza, Chair
Jonathan R. Yarowsky, Vice Chair
July 15, 2005
Page 2

Our fleet of U.S.-flag vessels operates out of Seattle, Washington, but spends most of the year fishing in the U.S. economic zone in the Bering Sea. Collectively, our members employ more than 2,500 people, including a significant number of Alaskan natives who live in the coastal regions of western Alaska and whose native corporations hold ownership interests in more than half of our fleet. Thanks in large part to the marketing opportunities that the ETCA affords to export trading companies such as the USSC, our members now export more than a quarter of a billion dollars worth of seafood products to Asian and European markets each year.

Over the past fifteen years, the ETCA and the Certificate of Review under which we operate has enabled our members to deal with a myriad of import quotas and other trade barriers that previously thwarted U.S.-owned fishing companies from successfully competing in various foreign markets – particularly Japan, the largest surimi market in the world. Through the USSC, our members have engaged in a variety of joint export activities that have helped them gain access to and to more effectively compete in such markets. Among other things, the USSC has undertaken extensive market research, retained professional marketing expertise in relevant export markets, participated in a variety of trade shows, hosted foreign trade delegations in the U.S., developed joint marketing strategies for its members' export sales, negotiated reductions in certain import barriers such as the Japanese import quota system for pollock products, lobbied the Japanese government for relaxation of regulations that inhibited U.S. companies from using Japanese cold storage facilities and otherwise helped a number of relatively small, independent U.S. seafood companies deal with a complex and often times discriminatory set of trade barriers and other import restrictions that previously worked to restrict U.S. access to the Japanese marketplace. These are efforts that would be dauntingly difficult for relatively small independent companies to accomplish on their own behalf.

In addition to the above-referenced activities, the Certificate of Review under which the USSC operates authorizes our members to engage in a variety of other joint export activities. Such activities can help to reduce the cost of transportation, warehousing, and handling by enabling our members to negotiate better rates for larger volumes of trade. It has also enabled USSC members to explore the possibility of implementing standardized procedures for establishing product grades and testing procedures.

Deborah A. Garza, Chair
Jonathan R. Yarowsky, Vice Chair
July 15, 2005
Page 3

In short, the USSC depends on the protections and other benefits of the Export Trading Company Act in order to enable its members to compete more effectively in a variety of foreign markets - especially in Japan where import quotas and other more subtle barriers to imports traditionally proved difficult for U.S. exporters to penetrate. At a time when U.S. trade deficits are routinely setting record highs, it would be unthinkable for the Antitrust Modernization Commission to come to the conclusion that this law merits repeal.

It would also be unfortunate if Congress was to establish a "sunset date" for ETCA activities. If the ETCA was up for renewal at regular intervals, the legal certainty and protections afforded to the USSC and other ETCs would be cast into doubt. This would impinge on the long-term planning and contracting in which joint exporters are required to engage.

Any attempts to change U.S. antitrust laws should, at a minimum, do no harm to the U.S. economy. There can be no doubt that the repeal of the ETCA would be a setback for the USSC and similarly situated ETCs that are working to promote the export of U.S. goods and services.

Thank you for your consideration of these comments.

Very truly yours,

UNITED STATES SURIMI COMMISSION



Doug Christensen
President

DC:jcp

cc: List Attached

Deborah A. Garza, Chair
Jonathan R. Yarowsky, Vice Chair
July 15, 2005
Page 4

Alaska Congressional Delegation:

Honorable Ted Stevens
Honorable Lisa Murkowski
Honorable Don Young

Oregon Congressional Delegation:

Honorable Ron Wyden
Honorable Gordon Smith
Honorable David Wu
Honorable Greg Walden
Honorable Earl Blumenauer
Honorable Pete DeFazio
Honorable Darlene Hooley

Washington Congressional Delegation:

Honorable Patty Murray
Honorable Maria Cantwell
Honorable Jay Inslee
Honorable Rick Larsen
Honorable Brian Baird
Honorable Doc Hastings
Honorable Cathy McMorris
Honorable Norm Dicks
Honorable Jim McDermott
Honorable David Reichert
Honorable Adam Smith

USSC Members