



NATIONAL CHICKEN COUNCIL

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July 7, 2005

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

Dear Ms. Garza and Mr. Yarowsky:

The National Chicken Council ("NCC") wishes to express its views with regard to the Commission's May 19, 2005 *Federal Register* notice requesting comments on the Export Trading Company Act and the Webb-Pomerene Act. The NCC strongly supports these joint export trade laws and discourages the Commission from recommending the repeal or limitation of these laws to the President and Congress.

The NCC is the national, non-profit trade association representing the U.S. chicken industry. NCC member companies include chicken producer/processors, poultry exporters, poultry distributors, and allied industry firms. The producer/processors account for approximately 95 percent of the chickens produced in the United States. The chicken industry consists of vertically integrated companies that produce, process and market chickens and chicken products, with a value of wholesale shipments of over \$35 billion with consumer expenditures over \$50 billion. More than 300,000 workers are directly employed in chicken processing plants nationwide and another 60,000 in feed mills, hatcheries, distribution centers, corporate headquarters and related facilities. Also, more than 30,000 family farms depend on the chicken industry for much, if not all, of their livelihood.

The United States is very active in the international poultry market. The future of the industry in the United States depends in large part on continued strong demand for its products. With consumption in the United States already very high by historical and global standards, the real opportunities with the most potential for growth are to help meet the demand of increasing consumption of poultry in foreign markets. For many years, members of the NCC have relied upon the Webb-Pomerene and Export Trading Company Acts to succeed and compete effectively in foreign markets. These companies continue to invest to increase export sales with the understanding that these laws will continue to provide the operating environment necessary to compete in world markets. Recently, for example, USTR recommended using an Export Trade Company to form joint ventures for Central American countries under the CAFTA-DR. Any TRQ that will be administered by a specified U.S. industry needs to operate with an Export Trade Company. To eliminate the ability of the U.S. chicken industry to engage in joint export

arrangements trade would impose a severe limitation on the potential growth of U.S. exports and could jeopardize the arrangements and understandings that are a part of the CAFTA-DR.

Although the significant benefits of joint export trade provisions can easily satisfy whatever standards the AMC may choose to apply in its review, we strongly reject the notion that supporters should have to bear the burden of proving that the benefits of an existing law exceed its costs. If these laws were continually up for renewal at certain intervals, the legal certainty and protections they afford would be cast into doubt, and it would impinge on the long-term planning, investing, and contracting that joint exporters engage.

The NCC urges the Commission to do no harm to the U.S. economy, especially animal agriculture that faces very sharp competition from other countries, such as Brazil, and to reaffirm the joint export trade benefits allowed by the Export Trading Company and Webb-Pomerene Acts. Thank you for your consideration of these views.

Sincerely,

A handwritten signature in black ink, appearing to read "W.P. Roenigk". The signature is written in a cursive style with a large, looped initial "W".

William P. Roenigk
Senior Vice President