CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

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January 6, 2013

The Honorable Michael Froman United States Trade Representative The Winder Building 600 Seventeenth Street, N.W. Washington, D.C. 20508

Dear Ambassador Froman:

The United States Chamber of Commerce appreciates the leadership of USTR in combating the many non-tariff barriers that shut U.S. exports out of foreign markets around the world. When the United States speaks out against such barriers, it does so most effectively when its own trade, investment, and regulatory rules are themselves free of unfair non-tariff barriers.

Unfortunately, we must point out a domestic regulatory program – the United States Department of Agriculture (USDA) catfish inspection program – that is a transparently protectionist and ill-advised means to block Pacific Rim trading partners from exporting seafood to the United States. This wasteful program undercuts the Administration's efforts to identify and eliminate unlawful non-tariff barriers to U.S. exports around the world, and, if implemented, will expose American exporters to retaliation for a policy they do not support and did not help to create.

The USDA program was created in 2008 and shifts regulation of catfish from the Food and Drug Administration to USDA. Under the WTO SPS Agreement, such a shift must rest on an adequate risk assessment and must not be a disguised restriction on international trade. The program meets neither requirement. The risk assessment published with the proposed implementing rule concedes that catfish-related illnesses are extremely rare and flatly states that there is "substantial uncertainty" that a new regulatory approach will improve on those results. Further, in the shift to USDA, catfish producers abroad – including those with excellent food safety records under existing FDA regulation – will lose access to the U.S. market for

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years, until USDA agrees that overseas regulators have an approach equivalent to that of the United States. That appears to be a disguised restriction on international trade.

In addition to President Obama – who has proposed de-funding it – the USDA program has earned the opposition of Thailand, Indonesia, China, and especially Vietnam. If the program is implemented, it will provoke retaliation against American exports to a region of the world that is fertile ground for American products, services, and capital. As you work to bring the Trans-Pacific Partnership negotiations to a successful conclusion in 2014, we urge you to help eliminate this unfair and unnecessary program, and in so doing to remove a significant obstacle to advancing the nation's vital Pacific Rim trade relationships.

We greatly appreciate any assistance you can offer in ensuring that this counterproductive and damaging proposal is not enacted. Thank you in advance for your help.

Sincerely yours,

Myron Brilliant

Executive Vice President and Head of International Affairs

cc: The Honorable John Kerry The Honorable Tom Vilsack The Honorable Penny Pritzker