



STATEMENT SUBMITTED ON BEHALF OF THE CATFISH INSTITUTE

JULY 12, 2006 TO THE SENATE FINANCE COMMITTEE HEARING

ON NORMALIZATION OF TRADE WITH VIETNAM

I am Jeff McCord, spokesman for, and an advisor, to The Catfish Institute. I offer this testimony today on behalf of The Catfish Institute, a nonprofit group based in Jackson, Mississippi promoting U.S. farm raised catfish. Catfish farming is our nation's largest aquaculture industry and catfish is the fourth most popular seafood in the United States.

The catfish industry supports establishing permanent normal trade relations (PNTR) with Vietnam, as proposed in S.3495. By granting PNTR, the United States will pave the way for Vietnam to become a member of the World Trade Organization (WTO) and subject to the same rules and principles that govern trade among all nations.

U.S. catfish farmers and processors believe it is important and positive for Vietnam to fully participate in international markets and our community of nations. We are pleased that Vietnam has agreed in bilateral negotiations with the United States that it will continue to be treated as a non-market economy for the purposes of U.S. trade law. This is appropriate and important given the continuing non-market orientation of the Vietnamese economy. Existing antidumping duties covering unfairly traded imports from Vietnam of certain species of fish fillets competing with U.S. farm raised catfish will not be affected by granting PNTR.

Providing PNTR for Vietnam is appropriate. There remain, however, very serious issues the United States must address with Vietnam both bilaterally and through the WTO processes once Vietnam is a member of that organization. In particular, Vietnam's continuing use in its farm-raised basa and tra and other exported seafood of antibiotics and other additives banned for human consumption in the United States must be addressed.

Among the banned substances found are flouroquinolones, a family of strong antibiotics that include Cipro used to treat anthrax. Unnecessary ingestion of these drugs will cause consumers to build-up a resistance to these critical pharmaceuticals. Also found in basa and tra is malachite green, a strong industrial dye and known carcinogen used in Asia as a fish egg fungicide.

Tests of basa and tra imported into the US, Canada, Europe and Australia routinely find these banned and dangerous substances.

In addition, Vietnamese exporters continue to mislabel basa and tra, using species names such as grouper, sole and pike, in order to evade antidumping duties and mislead buyers about the identity of the fish. The mislabeling is rampant: millions of pounds of basa and tra fillets are being shipped to the United States improperly labeled. Although some federal criminal indictments have been brought, the practice continues to be a serious problem.

The U.S. farm raised catfish industry believes Vietnam's accession to the WTO will provide a new, productive framework for the U. S. to approach the Vietnamese Government on these difficult issues. Enforcement of WTO rules and stringent testing by the federal government of imported seafood from Vietnam will help protect American consumers and provide a more level playing field for domestic fish producers.

I appreciate this opportunity to submit these views to the Senate Finance Committee on this important matter.

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