Chris Lischewski, Opening Statement

I'm Chris Lischewski, President and CEO of Bumble Bee Foods and Castleberry's Food Company. I appreciate the opportunity to be here today to provide my testimony and to respond to the Committee's questions related to the recall of canned products by Castleberry's Food Company due to the risk of botulism contamination.

First, I would like to say that we are in the business of providing wholesome food to the public. Making sure that our food is safe is always our first priority. Producing food that had to be recalled was the worst thing we could have faced, and we deeply regret that it occurred. We have tried to deal with the situation in a manner that reflects our sense of responsibility, our understanding of the gravity of the situation, our desire to make whole all of the purchasers of our recalled products, and our continuing commitment to ensuring that all of our products are safe for consumers.

Upon learning of possible botulism contamination from FDA and CDC, Castleberry's immediately instituted a voluntary recall of ten products. To further minimize the risk to the public health, we quickly expanded the recall to extend beyond the specific products and production dates linked to apparent cases of illness. Ultimately, over ninety products produced during a two-year period were recalled. The factory voluntarily ceased all production and distribution.

We informed the public about the recall through an extensive public awareness program in both English and Spanish. Frequent press releases and advisories were issued, multiple press conferences were held, a consumer hotline was established and staffed around the clock with call center professionals, the Castleberry's website was

regularly updated (in both English and Spanish), advertisements ran in regional and national newspapers, direct mailings were sent to consumers, warnings were printed on cash register receipt print outs, and we engaged in numerous interviews with the news media. As of October of last year, there had been nearly 5,000 broadcast stories on this recall in large part generated by the company to drive public awareness. Also, we made it very easy for consumers to obtain refunds—no proof of purchase or return of product was required. We trusted people to be honest with us.

Retrieving the recalled product from the marketplace was a large task, and we mobilized vast resources. I believe FDA and USDA will confirm that we did everything they asked of us, and more, in order to notify retailers and consumers of this recall, and to quickly and safely remove products from store shelves. Upon announcement of the recall, we immediately began, by telephone and email, to contact all of our direct retail customers who had purchased any of the recalled products at any time during the previous two years. In addition to these ongoing personal telephone calls and emails, we sent nine company bulletins to these customers between last July 18 and August 15, to update them on the recall and to provide additional information on things such as procedures for product retrieval and destruction. We engaged a contractor to retrieve and dispose of recalled product to avoid it being returned to the factory or to any of our distribution centers.

In addition to our direct contact with our retail customers, we engaged a company called RMX to physically visit 18,619 stores during the ten-day period following commencement of the recall, to confirm removal of recalled product from store shelves. Then, as a follow-up to the RMX visits, we engaged the CORE retail team division of

Advantage Sales & Marketing to further assess the effectiveness of the recall by visiting more than 22,000 stores during the next 60 days. In the less than 1% of the stores visited where recalled product was found on a shelf, the CORE team worked with the stores to dispose of the product. We worked with customers that had loyalty card programs to send letters directly to consumers who had purchased recalled products. We also engaged Catalina Marketing to run a program at approximately 22,000 stores whereby consumers who had previously purchased any recalled product would receive on their register tape, at their next purchase, a warning notifying them of the recall and directing them to our website and hotline. Throughout the recall, we were in constant communication with the regulatory agencies, establishing a daily conference call during the first few weeks of the recall to keep the agencies apprised of our efforts, to seek their input and to provide answers to their questions. We also engaged an experienced consultant to advise us on any additional measures we might take. We did everything we reasonably could to get the recalled products off of store shelves and out of consumers' kitchens.

We worked openly and diligently to cooperate with FDA, USDA, and this Committee to facilitate all investigations, including granting interviews and providing all documents requested. Together with processing authorities and regulatory experts, we conducted an intensive investigation and identified the cause of the contamination. We have taken effective steps to prevent a recurrence, and have also taken the opportunity to elevate our safety practices and procedures to an even higher level. We also completed independent third-party audits at all of our other facilities, to ensure that appropriate safety procedures are in place.

Following the completion of our investigation and implementation of improved preventative safety procedures, we prepared submissions to USDA and FDA documenting the findings of our investigation and seeking their approval of our plan to re-open the facility. Our SVP of Technical Services and other management from Augusta met with FDA officials in Washington on September 5, 2007 to discuss our submission and to address any questions or concerns. At FDA's request, we set up a conference call the next day with our process authority to address FDA's questions. We received approval to re-open from FDA on September 12th and from USDA on September 14th. On September 17th, the plant re-opened. The line on which the recalled product was manufactured is not and will not be run until a further in-depth review has been completed and additional operational control systems have been reviewed for possible installation to provide more robust operating and monitoring systems for these complex retorts.

I want to reiterate our deepest regret that this incident occurred. Consumer safety is of the utmost importance to our company and to its employees, including me. We have taken, and continue to take, this matter extremely seriously and personally. As we try to move forward from this experience, we do not forget those who were most affected. We are working with those individuals who contracted botulism to resolve their claims in a fair and amicable manner.

I truly appreciate this opportunity to come before you to discuss the recall, and I hope that this can be a learning experience for all those involved in the industry as we work together to ensure that these types of incidents never happen again.

Thank you.

Major Points:

- Upon learning of possible botulism contamination from FDA, Castleberry's immediately instituted a voluntary recall, which was quickly expanded to extend beyond the specific products and production dates linked to apparent cases of illness, in order to minimize any potential risk to the public. The factory was voluntarily shut down.

- With the assistance of a team of process authorities and regulatory experts, Castleberry's conducted an intensive investigation and has identified the cause of the contamination, has taken effective steps to prevent a recurrence, and has taken the opportunity to elevate its safety practices and procedures to an even higher level. Bumble Bee initiated independent third party-audits of all of its other facilities. Those audits were all successfully completed last year, with no issues of significance.

- Following the completion of our investigation, we worked together with FDA and USDA to obtain their approval to re-open the plant (other than the line on which recalled product was produced.

- Castleberry's worked diligently to cooperate with FDA, USDA and this Committee to facilitate all investigations, including granting interviews and providing documents.

- Castleberry's has gone beyond what was required by FDA, USDA and state agencies to ensure an effective recall. Efforts included website communications (both Spanish and English), media coverage (press releases, advertisements, press conferences and media interviews), customer calls, direct mailing to consumers, RMX/ASM-CORE retail coverage, Catalina program, third-party product retrieval/destruction service.

- Refunds were made easily available for consumers via our website without requiring return of product.

- Castleberry's is working with consumers who claim they contracted botulism from recalled products to resolve the claims.