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April 13, 2007

Ms. Sally White  
Director, International Equivalence Staff  
Office of International Affairs  
300 12<sup>th</sup> Street, SW.  
Room 102 Cotton Annex  
Washington, DC 20250

Re: Food Safety and Inspection Service (FSIS), Docket No. FSIS-2006-0030,  
Eligibility of Chile to Export Poultry and Poultry Products to the United  
States, 72 Fed. Reg. 8293

Dear Ms. White:

We are writing in full support of the FSIS proposed rule to add Chile to the list of countries eligible to export poultry and poultry products to the United States. Now that FSIS has completed reviews that show that Chile's inspection standards, procedures, laws and regulations are equivalent to the USDA's Poultry Products Inspection Act and its implementing regulations, it is imperative to finalize the rule as soon as possible.

On the basis of extensive reviews of the relevant Chilean laws and regulations and on-site reviews of Chile's poultry slaughter inspection system in operation, FSIS has concluded that Chile's poultry slaughter standards and procedures are equivalent to those of the United States. Chile has exceptional sanitary resources in the poultry industry and a production system that is 100 percent vertically integrated. Chile also has high biosafety standards and geographic barriers that prevent the entry of diseases on the "A" list of the International Office of Epizootias (OIE). Poultry plants in Chile are expanding and updating their technology to comply with increasing world standards. There is simply no sanitary reason to delay in granting market access for Chilean poultry products.

The United States poultry industry is among the most protected from international competition. Imports of poultry are permitted from only 8 countries: Australia (ratites only), Canada, France, Great Britain, Hong Kong, Israel, Mexico, People's Republic of China, and New Zealand (ratites only). Mexico and China are limited to poultry products processed from poultry slaughtered in the United States, and France, Great Britain, Hong Kong and Israel export only specialty items such as pate, chicken feet and chicken pot pies. The proposed rule is a very strong move in the direction of liberalized trade in poultry products.

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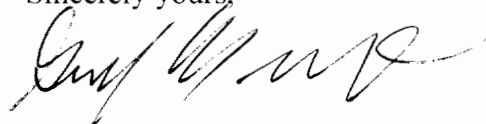
However, the projected quantity of poultry imports from Chile does not pose a threat to domestic producers. In 2006, Chile produced 613,757 tons of poultry meat, 84% of which corresponded to broiler chickens, 15% to turkey and the difference to other fowl. Poultry production in Chile in the last decade has experienced substantial growth with annual increases of about 10 percent. This growth is fundamentally due to the investment made by the national poultry industry (over US\$ 300 million in the last five years) in technology, production processes and training, paying special attention to animal health and safety, traceability, animal welfare and environmental sustainability.

The proposed rule estimated U.S. domestic production at more than 1.4 million mt of deboned raw young chicken breast products in 2005. FSIS also estimated Chile's initial exports to the U.S. in 2007 at 5,000 mt, or less than one half of one percent of the respective U.S. domestic production. However, even if imports of deboned raw young chicken breast products from Chile reach 12,000 mt by 2010 it would still be less than one percent of domestic production. At these small levels, and considering U.S. poultry exports to Chile, there can be no threat of harm to the U.S. poultry industry from exposure to competition with Chilean poultry firms.

The United States is Chile's largest trading partner in agricultural products. The U.S.-Chile Free Trade Agreement will lead to the elimination of all tariffs on poultry trade by 2013. For the first two years under the FTA, all Chilean imports of U.S.-origin chicken parts, turkey parts, and offals faced a 25 percent duty. In 2006, an initial tariff-quota of 8,000 mt was implemented and the TRQ increases each year by five percent until 2013. The initial over quota tariff began decreasing from the 25 percent base in 2006 until 2013, at which time the tariff will be zero and the TRQ will vanish. Chile already allows imports of U.S. poultry products, and it is time for the United States to provide equivalent market access to Chilean poultry.

Accordingly, we urge FSIS to act on the conclusions of the Docket No. FSIS 2006-0030 upon close of the April 27, 2007 comment period and publish a final rule as quickly as possible.

Sincerely yours,



Gerard N. von Dohlen  
President

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