

# **SARDINHA & CILEU MANAGEMENT INC.**

**2811 NIMITZ BLVD # D  
SAN DIEGO, CA 92106  
Tele 619-236-1191  
Fax 619-236-9516**

October 30, 2009

Hon. Nick Joe Rahall II, Chairman  
Hon. Doc Hastings, Ranking Member  
House Committee on Natural Resources  
1324 Longworth House Office Building  
Washington, DC 20515

Chairman Rahall and Ranking Member Hastings:

My partner, Mr. William M Sardinha and I would like to voice our strong support of the American Samoa Protection of Industry, Resources, and Employment Act (ASPIRE ACT). The tuna industry is the largest contributor to economy of American Samoa and this bill is critical for survival of the tuna industry and the economy in American Samoa.

Mr. Sardinha and I have been involved in management of tuna vessels for over 30+ years and for the past 25+ years have owned our own tuna vessel management business Sardinha & Cileu Management Inc. which has managed numerous tuna vessels primarily operating out of American Samoa. Mr. Sardinha currently serves as an advisor to National Marine Fisheries Service for both the Inter-American Tropical Tuna Commission (IATTC) and the Western Central Pacific Fisheries Commission (WCPFC) and we both are current members of the American Tunaboat Association (ATA). We also served on the US delegation for the Western Pacific Tuna Treaty with the 16 Pacific Island States and the FFA.

We are proud of our record of being innovators and global leaders in the development of the tuna vessel industry along with the development of dolphin and tuna conservation. The past methods developed by those US boat owners continue today to serve as models to the world in the conservation of the tuna resource and marine mammals while at the same time abiding by the strict US Coast Guard safety regulations. Over the years we experienced many events that shaped the tuna industry including being present and working in American Samoa when it replaced San Diego and Puerto Rico as the tuna capital of the world. The US had some 40 US vessels operating out of American Samoa and the canners produced more fish per day than anywhere in the world. Unfortunately, over the years we find that Asia has replaced the US as the dominant player in the tuna business. Without this bill I am afraid that we will lose the last true remaining tuna processing plants in the US or its territories. As with many other US industries we will be another casualty of cheap foreign labor producing our goods and services.

Hon. Nick Joe Rahall II, Chairman  
Hon. Doc Hastings, Ranking Member  
October 30, 2009  
Page 2

We believe the US cannot continue to lose manufacturing plants and jobs and this bill is urgently needed to ensure that American Samoa is able to fairly compete against foreign countries. We cannot limit ourselves to processing loins and being dependent on foreign facilities that get 90% of the jobs and control 100% of the fish prices. This bill has the ability to restore American Samoa to its former position as a major player in the tuna industry and enable it to retain the jobs and benefits and avoid making its people and economy totally dependent on US aid.

It is important for the tuna boat industry to have a variety of available purchasers for the tuna we catch. Unfortunately, the tuna processors in American Samoa have downsized or removed their operations entirely from the island due to global competition from lower wage countries. If we lose the ability to sell tuna to processors in American Samoa, our companies will likely be forced to sell to our foreign competitors. Even if we survive, we will be dependent on processors in foreign countries who will pay increasingly lower prices for the tuna we catch. It is not in the public interest to allow a near monopoly of tuna to develop solely in the Asian Pacific area. Our tuna vessels will be forced to increase our efforts on the tuna resource with larger deliveries to compensate for the lower prices which will eventually result in overfishing, and an economic situation that will put us out of business.

It is in this current environment that we declare our support of the ASPIRE legislation . ASPIRE will make it economically feasible for the fishing vessels we manage to make direct deliveries to American Samoa while resulting in a net reduction in our annual tuna harvest. Furthermore, we believe that direct delivery has a multiplier effect on the island's economy, leading to additional revenue for American Samoa from expenditures which include but are not limited to vessel re-fueling, repairs, food, shipyard services; stevedoring; fish net repairs; container shipments, airfare, rental cars, hotels, restaurants, , vessel agencies and support services. We therefore look forward to working with Congress and the American Samoa leaders to support ASPIRE as a total island economic stimulus plan.

While we fully support the overall intent of ASPIRE, we would like to work with Congress and the American Samoa leaders to address the penalties of \$250,000 and 6.25% as the proposal outlines. We fear the economic advantages the proposal promises for our vessel owners will be unfairly counteracted by these penalties. We believe these issues can be resolved and, once they are, we stand ready to fully support the legislation. We therefore look forward to working with Congress and the leaders of American Samoa to find a solution that will allow for our unqualified endorsement of ASPIRE as a total island economic stimulus plan.

We truly appreciate the hard work you and the Committee are doing to save the South Pacific Tuna industry. Thank you for your time and consideration.

Sincerely



Italo J. Cileu  
President