

Castle Joins Signing of Key Poultry Trade Certificate -- January 30, 2006

Washington, D.C. -- Delaware Congressman Mike Castle today joined poultry industry representatives and the Department of Commerce as Commerce Deputy Secretary David Sampson signed an Export Trade Certificate regarding poultry exports under the Central America Free Trade Agreement (CAFTA). Today marks an important step for poultry exporters and for CAFTA implementation.

"Although completion of this bill was at times contentious, I believe CAFTA will be effective in reducing restrictions on American exports and helping to ease poverty in Central America. In 2003, over 100 companies in Delaware exported \$29 million worth of goods to Central American countries. This represents Delaware's 15th-largest export market. It is my hope that CAFTA will level the playing field even further, while at the same time providing economic, political, and strategic benefits to all parties," Castle said.

"Sussex County produces more chickens than any county in the United States, which is more than 200 million chickens a year - and it is home to the headquarters of 3 of the top 20 broiler producing companies in the country. It is my hope that this new program will provide real economic benefits and will help to open doors for poultry producers in Delaware and across the United States."

In 2004, the U.S., Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic signed CAFTA. Congress passed it in July 2005 and the treaty was ratified when the President signed it in August 2005. Beginning January 1, 2006, nations that have ratified CAFTA will begin executing the treaty on a rolling basis. CAFTA mandates a Tariff Rate Quota system, which allows certain goods to be imported at very low tariff rates up to a predetermined level. Any group wishing to export goods under CAFTA's Tariff Rate Quota system, must apply for an Export Trade Certificate from the Department of Commerce. Export Trade Certificates provide U.S. firms with the legal protection necessary to collaborate on exporting, without fear of antitrust liability. The certificate that was signed today will award an Export Trade Certificate for poultry to a non-profit group that will be responsible for administering the Tariff Quota open bid process for export of poultry under CAFTA. This non-profit group is called "Central America Poultry Export Quota, Inc." (CA-PEQ). The group is incorporated in Delaware and is made up of poultry industry representatives from all participating countries.

Before CAFTA, the U.S. had no duty-free access to markets in Central America and tariffs on chicken leg quarters had been high. This is among the first poultry Export Trade Certificate issued under CAFTA. The certificate will allow the establishment of a confidential bidding process that is open to any business for the rights to export fixed quantities of chicken leg quarters to Central America.