



ASOCIACION DE
LA INDUSTRIA DEL
SALMON DE
CHILE A.G.

Santiago, 4 April 2003

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Messrs.
FDA
U.S.A.

Dear Sirs,

The Salmon Industry Association is informed about the project prepared by your agency to regulate the rules on Previous Shipment Notice as per section 307 of Title III of the Antiterrorism Law of June 2002.

Regarding such proposal, we would like you to consider the following observations and background:

- 1) The export of salmon represents an important and significant part of commerce from Chile to the USA. In fact, during the 2002, salmon represented shipments for 414 million dollars, corresponding to the export of 108 thousand net tones. Most of these shipments correspond to fresh products that, at the same time, represent approximately 55% of the movement at Arturo Merino Benitez airport, the main Chilean airport.
- 2) The system currently in operation for production, packing and shipment of fresh salmon to the USA requires the highest efficiency, for which the residence time of the product, at any of its stages, must be absolutely minimized.
- 3) Regarding shipment and transport of the products, the current system shows that:
 - (a) The products are received at the airport about 4 hours previous to the effective shipment on the transport vessel.
 - (b) Once the carrier receives the product, it determines, in terms of vessels and available space, if the shipment is dispatched in one or more vessels programmed for that day. In fact, about 60% of the shipments is divided into more than one vessel; and
 - (c) After take-off, the vessel takes about 9 hours to arrive at an entrance airport in the United States.
- 4) The regulation proposed by your agency would affect the efficiency of the process, because it would force us to increase the residence time of a shipment at a Chilean airport, increasing hereby the costs related to dispatch.

In addition, a longer stay of the product at the Chilean airport could affect the quality of the product, with the subsequent effects on price.

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- 5) Regarding the above point, we have considered the background and reasons that your agency uses to reject a shorter term to submit the Previous Notice.

However, we consider that the stated reasons are not sufficient for our case.

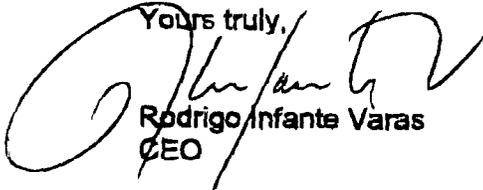
In fact, as explained above, the consequence of the division of shipments is that only once the products are received by the carrier at the airport in Chile it is possible to define all the information required by the Previous Notice, among others, the product quantity, estimated arrival time and even the identification of the carrier.

If our producers provide the information prior to the arrival of the product at the airport (for example, when the purchase order is received) it is likely to make a greater number of errors in the Previous Notice, because there would be less relevant information regarding these facts.

On the contrary, if a shorter time period for submitting the Previous Notice is granted, errors would be reduced, because there would be more precise information about the shipment.

- 6) Due to the above mentioned reasons, and in order to reconcile the proposed regulation with the principles and rules that govern international trade, we request the agency to adjust such regulation, in terms of reducing to 10 hours the minimum notification time, at least regarding fresh products, as well as to allow shipments to continue being divided as explained in point three above.

Yours truly,



Rodrigo Infante Varas
CEO