

Testimony of Atchan Tamaki Before Committee on Natural Resources, Subcommittee on Water, Power and Oceans, Regarding H.R. 4245

Witness: *Atchan Tamaki,*
 President, I.S.F. Trading, Inc.
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Hearing: *Hearing on H.R. 3070 and H.R. 4245*
 January 26, 2015 at 2:00 p.m.
 Committee on Natural Resources
 Subcommittee on Water, Power and Oceans

Good afternoon. My name is Atchan Tamaki, and I am the founder and president of I.S.F. Trading, which is located on a pier on Portland, Maine's working waterfront and is Maine's largest processor of sea urchins and sea cucumbers. I am also the president of the Maine Sea Urchin and Sea Cucumber Association and I sit on the Maine Department of Marine Resources Sea Urchin Zone Council, which advises the Commissioner of Marine Resources on issues relating to sea urchin conservation.

I moved to the United States from Japan in 1978 to attend college. After earning a business degree from the University of Montana (there is not much seafood processing in Montana!), I moved to Maine. I have had amazing opportunities in the United States, and particularly in Maine. I raised my family there and have been able to grow my business and provide jobs to Maine workers. I am proud to say that along the way I became a naturalized U.S. citizen.

After moving to Maine, I began working in the lobster business, which introduced me to sea urchins and sea cucumbers. I saw tremendous opportunity in that market. So, in 1989, I began buying, processing, and shipping sea urchins and sea cucumbers and my business took off – you could say that I was the industry's pioneer in Maine. Many Americans are not aware that sea urchins are a common food item. Sea urchin roe can be found on many sushi menus as "uni." It has long been a delicacy in Asia and demand in the domestic market has been steadily increasing. I also process sea cucumbers, which are very popular in Korean and Chinese markets. After a bout of overfishing in the early 1990s, Maine and other states aggressively and very successfully regulated the fishery, and it is now a sustainability success story.

I have built my business from scratch. It now employs approximately 60 people, many of them Asian immigrants with limited English-language ability who otherwise would have difficulty finding work. Indirectly, my business employs many more people. My competitors – who also employ dozens of people – and I purchase every urchin that is landed at ports along Maine's coast. The several hundred people who make a living by harvesting urchins in remote Washington County and those who transport the product to processors like me in southern Maine rely on us for their income. It is important to note that in an era in which almost all seafood processing activity has left New England for Canada, Maine's sea urchin processors have bucked the trend. Canadian processors have been unsuccessful at conducting the labor-intensive and skilled work involved in processing sea urchins, and as a result, most urchins landed in eastern

Canada are shipped to Maine for processing. This is a source of tremendous pride in my industry and for me personally.

With this background, I am here today to testify about a grave threat that is facing my industry and putting hundreds of Maine jobs at risk. For approximately 30 years, lobsters and shellfish have been exempted from the U.S. Fish & Wildlife Service import/export fee and inspection regimen. This means that for decades, shipments of lobsters, mussels, clams, scallops, and oysters – among others – have been imported to, and exported from, the United States without any interference from Fish & Wildlife. In 2013, Maine's lobster *exports* totaled \$245 million – and not a single shipment of it required the payment of fees to, or inspections by, Fish & Wildlife. By contrast, Maine's entire annual urchin harvest, for both domestic consumption and export, is worth about \$5.4 million, but each shipment requires the payment of over \$225 in fees to Fish & Wildlife (in addition to \$60-\$70 in fees to the Customs Service), plus time-consuming and delay-inducing inspections – including the particularly onerous requirement that we notify Fish & Wildlife 48 hours in advance of every shipment, despite the fact that the urchin catch is brought to shore less than 24 hours before we process and ship it. It is worth noting that the Customs Service also inspects our products and we have had no problems in that regard – they run a seamless, 24/7 process.

When the exemption for lobsters and shellfish was enacted in the 1980s, the sea urchin and sea cucumber markets were in their infancy. It is clear that the obscure nature of the industry at that time is the sole reason that sea urchins and sea cucumbers were not included within the exemption. This historical anomaly made little difference until about two years ago, when for the first time Fish & Wildlife began requiring my industry to submit to its fee and inspection program for exports. The result has been that my business and my competitors' businesses have had to pay tens of thousands of dollars and endure debilitating delays as we have had to deal with Fish & Wildlife, a new and particularly burdensome source of red tape. Our highly perishable product routinely ends up wasting away in warehouses at J.F.K. Airport as we wait for Fish & Wildlife to clear it for export (a duplication of the existing Customs process).

Lost paperwork, unexplained delays, and lack of responsiveness by overworked Fish & Wildlife Service employees in New York has often led to spoiled product (or "dead loss"), unhappy customers overseas, and a dramatic hit to my company's bottom line. In the approximately two years during which we have been subjected to this process, it has only gotten worse – particularly when Fish & Wildlife, unlike Customs, shuts down entirely over the December holidays, our busiest season. All of this disruption is due to inspections that similar and far more prominent seafood products, such as lobster, avoid entirely – and this disparity has no basis with respect to science or sustainability.

The debilitating impact of the Fish & Wildlife fee-paying and inspection process has thrown what had been a steady and growing business into a state of uncertainty – with fees, delays, and spoiled shipments suddenly cutting into my bottom line, I have reduced my hiring, as have my competitors. This is having a direct impact on Maine's economy and surely also on the economies of other states where this industry is prominent, such as California, Oregon, and Washington. With this constant drag on hiring and profitability, I honestly cannot tell you what

the future holds for my industry. This would not have been the case before Fish & Wildlife inserted itself into my business and those like it.

I will share with you just one recent example of the burdens imposed by this fee-payment and inspection process: In November, my company submitted an application to renew our Fish & Wildlife import/export permit well in advance of its December 31 expiration. This permit is absolutely vital to my business given its extensive import/export activity. Throughout November and December, we repeatedly followed up with Fish & Wildlife to inquire about the status of our application. We could not get an answer and were simply told, “it can take a long time.” Come January, we still had not received our renewed permit and, as a result, Fish & Wildlife rejected two of our shipments to Asia, with a value of \$30,000. Finally, during the second week of January, our permit arrived, but only after two weeks’ worth of damage was done to our business.

By enacting H.R. 4245 and extending the long-standing exemption for lobsters and shellfish to sea urchins and sea cucumbers, Congress would be correcting an historical oversight and providing predictability and growth to an essential coastal industry – all without putting our environment or natural resources at risk. It would allow my business and those like it to go back to focusing on what we do best: Processing these highly perishable products and shipping them, packed in ice, to Asia within the short window before spoilage occurs. By treating our products like its peers – lobsters, mussels, clams, and the like – Congress would allow our business to return to a state of steady growth and hiring.

Thank you for considering this measure and for providing me with the opportunity to make these comments in support of H.R. 4245.