



November 3, 2009

## **A Fish Too Big to Fail?** *Bill Creates Taxpayer-Funded Tuna Bailout*

Tomorrow, Wednesday, November 4<sup>th</sup>, the Insular Affairs Oceans and Wildlife Subcommittee will host a legislative hearing on *The American Samoa Protection of Industry, Resources, and Employment Act* ([H.R. 3583](#)), a “tuna bailout bill” that would subsidize the last remaining tuna cannery in American Samoa while imposing new taxes on competitors.

Ironically, Democrats only have themselves to blame for the territory’s struggling tuna industry. In 2007, Democrats passed legislation that increased the minimum wage in American Samoa. This hurt the economy, closed businesses and cost jobs.

In May 2009, Chicken of the Sea [announced](#) it was closing its American Samoa plant and partially moving operations to the State of Georgia. While this move eliminated almost 2,000 jobs in American Samoa, it created only 200 jobs in Georgia. And StarKist, the only tuna company left operating in American Samoa, [cut](#) 20 full time jobs and abolished paid holidays and pension benefits due to the wage increase.

**Rather than addressing Democrats’ failed policies, this legislation would put American taxpayers on the hook for bailing out the South Korean-owned StarKist tuna cannery in American Samoa.**

H.R. 3583 would provide StarKist with federal subsidies to help the company stay open in American Samoa. In addition, the bill would levy new fees on vessels delivering to StarKist’s competitors (Chicken of the Sea and Bumble Bee) and raise their cost of doing business by taxing vessels for delivering tuna outside of American Samoa. Specifically, this legislation:

- Authorizes the Federal government to pay both the cannery and vessels \$200 per metric ton of tuna that is delivered to American Samoa.
- Requires tuna vessels that do not deliver to the American Samoa to pay an annual fee of \$250,000 and pay a percentage fee for all tuna delivered elsewhere in the region.
- Authorizes \$25 million for Fiscal Year 2010 and unlimited funds thereafter.

### **Background**

In 2007, the Democrat controlled Congress passed *The U.S. Troop Readiness, Veterans’ Care,*

*Katrina Recovery, and Iraq Accountability Appropriations Act of 2007*, which required the minimum wage in American Samoa and all U.S. territories to be increased in a phased manner until it reached the same level as the rest of the United States.

Prior to July 24, 2007, the minimum wage rate for American Samoa was determined by a special industry committee appointed by the Department of Labor. In 2006, the minimum wage for the Fish Canning and Processing industry sector was \$3.26 per hour. By 2014, under the provisions of P.L. 110-28, this rate will be more than double that rate.

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**House Natural Resources Committee Republican Press Office**

**Contact: [Emily Lawrimore](#) or [Jill Strait](#)**

**202-226-2311**

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