



December 5, 2016

TO: Members, Subcommittee on Health

FROM: Committee Majority Staff

RE: Hearing entitled “Examining the Waste and Duplication of the USDA Catfish Inspection Program”

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## **I. INTRODUCTION**

On Wednesday, December 7, 2016, at 10:00 a.m. in 2322 Rayburn House Office Building, the Subcommittee on Health will hold a hearing entitled “Waste and Duplication in the USDA Catfish Inspection Program.”

## **II. WITNESSES**

### Panel I

- William Jones, Acting Deputy Director, Office of Food Safety, Food and Drug Administration; and
- Steve Morris, Acting Director, Natural Resources and Environment, Government Accountability Office.

### Panel II

- Kim Gorton, President and CEO, Stade Gorton & Co., Inc.;
- Bart Farrell, Director of Food and Beverage, Clyde’s Restaurant Group;
- Justin Conrad, CEO, Bay Hill Seafood, President, Libby Hill Seafood; and
- Steve Otwell, Seafood Safety and Technology Emeritus, UF Food and Science and Human Nutrition, Aquatic Food Products Lab, University of Florida.

## **III. Background**

In 2008, legislative text was added to Farm Bill conference report establishing the U.S. Department of Agriculture’s (USDA) catfish inspection program, which moved jurisdiction of catfish from the Food and Drug Administration to the USDA. The language was not considered under regular order – there were no hearings, no markups, no amendments, no debate. The program has and will continue to have serious consequences for taxpayers and consumers.

Since the enactment of the 2008 Farm Bill, the Government Accountability Office (GAO) has released numerous reports that highlight the USDA Catfish Inspection program as an example of taxpayer waste and abuse. According to a GAO report (“2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits”), “assigning responsibility for examining and inspecting domestic and imported catfish to the Food Safety and Inspection Service (FSIS) adds to the potential for the ineffective coordination and inefficient use of resources in food safety.”<sup>1</sup> In 2011, the FDA Food Safety and Modernization Act (FSMA) was enacted and gave the FDA “an opportunity to enhance the safety of all important seafood-including catfish-and to avoid the duplication of effort and cost that would result from FSIS’s implementation of the proposed program.”<sup>2</sup>

In May 2012, GAO issued a report (“Seafood Safety: Responsibility for Inspecting Catfish Should not be Assigned to USDA”) recommending that “Congress . . . consider repealing provisions of the Farm Bill assigning USDA responsibility for catfish inspection.” GAO found that:

. . . with the implementation of FSIS’s proposed catfish inspection program, responsibility for overseeing seafood safety would be further divided and would duplicate existing federal programs at a cost . . . implementing this program will cost the government and industry about \$14 million annually. If FSIS’s proposed program were implemented, GAO expects it would cause duplication and inefficient use of resources in several key areas.<sup>3</sup>

In addition to wasting taxpayer money and increasing the burden on industry, the USDA Catfish Inspection program jeopardizes and weakens the U.S. food safety program by further fracturing the inspection system.

Industry expressed its concerns to Senate leadership in a May 23, 2016 letter from the Food Marketing Institute, the National Retail Federation, and the Retail Industry Leaders Association, writing:

The USDA program is of great concerns to our member companies. The shift of food safety oversight from FDA to FSIS for this specific product establishes a nontariff trade barrier against imported pangasius. Exporting countries will have to obtain an “equivalency” determination from FSIS if they wish to preserve their producers’ ability to export to the United States. Because the FSIS equivalency process routinely takes five years and sometime over a decade to

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<sup>1</sup> <http://www.gao.gov/assets/660/653604.pdf>

<sup>2</sup> Id. p. 35

<sup>3</sup> <http://www.gao.gov/assets/600/590777.pdf>

complete, this will create for those producers an insurmountable barrier to the U.S. market. Thus, in a single stroke more than a fifth of the 'value white fish' supply in the United states-about 250 million pounds a year-will disappear. This reduction in supply will cause a dramatic increase in prices for our companies and our customers who rely on an affordable product.<sup>4</sup>

The creation of the USDA catfish program has wasted taxpayer dollars to set up a duplicative program that fragments and jeopardizes the U.S. food safety program. The program has added duplication and cost to fish importers and distributors, which will raise prices for consumers.

At this hearing, the Committee will examine the costs and consequences of the USDA catfish inspection program.

#### **IV. STAFF CONTACTS**

If you have any questions regarding this hearing, please contact Carly McWilliams or Paul Edattel of the Committee staff at (202) 225-2927.

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<sup>4</sup><http://www.ayotte.senate.gov/files/documents/052316%20Trade%20Association%20Letter%20Supporting%20SJR%20es28%20-%20USDA%20Catfish%20Inspec....pdf>