



325 Bic Drive
Milford, Connecticut 06461

August 14, 2006

Honorable Charles E. Grassley
United States Senate
Washington, DC 20510

RE: Support for S. 599, the "Fair Trade in Pouch Tuna Act of 2005"

Dear Senator Grassley:

I want to bring to your attention an important and timely fair trade issue that affects SUBWAY® Restaurants. In 1965, I co-founded the SUBWAY restaurant chain and we now have 19,600 restaurants across the United States, including 321 restaurants in Iowa. With our franchisee partners, we have grown the business and have worldwide sales of nearly \$9.5 billion and operate more than 25,000 restaurants in 83 countries.

The trade issue that concerns SUBWAY involves a special provision added by Congress in 2002 to the Andean Trade Preference Act. This provision completely eliminates the duties on pouch tuna from the Andean countries. This last minute change handed Ecuador, the major exporter of pouch tuna from that region, an unfair price advantage over other pouch tuna producers. In particular, Thailand, the major pouch tuna exporter from the ASEAN Pact region, remains subject to tariffs up to 12.5 percent. If this inequality is not addressed, U.S.-based purchasers and distributors are concerned that, over time, Ecuador could monopolize the pouch tuna market.

SUBWAY purchases a substantial amount of high-quality pouch tuna from Thailand, and tuna is our second largest selling item. Approximately 83 percent of our restaurants in North America have converted from cans to the fresher and more environmentally friendly pouch tuna.

SUBWAY believes that U.S. trade policy should encourage fair competition. The Andean Trade Preference Act, however, gives Ecuador a distinct advantage over other producers. While we are concerned about the economic harm the tariff inequity causes our Thai tuna suppliers, we are particularly concerned about the economic costs that it imposes on our U.S. small business franchisees and our customers -- who ultimately pay the price.

Page 2

Thank you for your consideration of our request. Your office may contact our Director of Corporate Communications, Michele DiNello at 203-877-4281 x 1302 with any questions or to set up a call with me directly.

Sincerely,

A handwritten signature in black ink, reading "Frederick A. DeLuca", positioned to the left of a vertical red line.

Frederick A. DeLuca
Co-Founder
Doctor's Associates Inc



17 MERCER ROAD
NATICK, MA 01760
T: 508.620.0001
F: 508.651.3001

August 14, 2006

The Honorable Charles Grassley
Chairman
Senate Finance Committee
Washington, DC 20510

Re: S. 599, the "Fair Trade in Pouch Tuna Act of 2005"

Dear Senator Grassley:

Thank you for providing the opportunity to submit comments regarding S. 599, the "Fair Trade in Pouch Tuna Act of 2005." Jana Brands strongly supports this legislation and urges you to include it in the Miscellaneous Trade Bill for consideration this Congress.

Jana Brands, headquartered in Natick, Massachusetts, is a U.S. owned and operated importer of seafood products from Thailand and other Asian countries. Jana Brands was the first company in the world to introduce 100% yield pouch pack tuna for use at the food service level. Our pioneering research and development began in 1987, culminating with the introduction of our high-quality pouch tuna product in the mid-1990s. Today, pouch tuna can be found on supermarket shelves and in the kitchens of thousands of restaurants throughout North America.

Our customers tell us that pouch tuna is much easier, safer and more environmentally-friendly to use than tuna packed in cans. Our products are used by schools, hospitals, universities and commercial enterprises.

The elimination of duties on pouch tuna from the Andean countries, however, as authorized by the 2002 amendments to the Andean Trade Preference Act (P.L.107-210), is distorting the pouch tuna market. Rather than promoting fair and open trade, the tariff elimination has had a perverse and detrimental effect on a number of U.S. companies, including Jana Brands.

Two countries, Ecuador and Thailand, supply the vast majority of pouch tuna to the United States and the world market. Ecuador now has a significant price advantage over other countries that export pouch tuna to the United States. While Ecuador pouch tuna products enjoy duty-free status, Thailand remains subject to tariffs on pouch tuna for 6% in quota and 12.5%

The Honorable Charles Grassley

Page 2

August 14, 2006

over quota. Jana Brands has been an importer of pouch tuna from Thailand since 1994. Only about 10% of our imports are subject to the 6% quota, with remaining 90% subject to the much higher 12.5% rate.

StarKist is the only major U.S. company that benefits from the current tariff structure on pouch tuna imports. The unequal tariff treatment has a negative effect on other producers, marketers, processors and retailers including Chicken of the Sea (California), Trans-Ocean Products (Oregon), SUBWAY Restaurants (Connecticut and 18,000 small business franchisees across the U.S.), and members of the Association of Food Industries. Perhaps the biggest losers are American consumers since they truly are not receiving the benefits of fair and open competition.

The enactment of S. 599 will return fair trade and real competition to the pouch tuna market by providing Thailand and Ecuador with an equal tariff structure for pouch tuna products. Jana Brands and other U.S. companies will then compete on a level playing field, letting the market decide. This will allow us to lower prices for consumers, serve a larger customer base and employ more workers in the United States.

All we ask for Jana Brands and our customers is a fair shake. We deeply appreciate your consideration and look forward to working with you to ensure this important and timely legislation is enacted during the 109th Congress.

Sincerely,

Steven M. Forman
CEO and Founder

cc: The Honorable Max Baucus