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### **WTO Rules that US Cannot Take Effective Steps to Collect Antidumping Duties**

*Tarpon Springs, FL* -- On July 16, 2008, the Appellate Body of the World Trade Organization ("WTO") upheld a decision by a dispute settlement panel that the U.S. Customs and Border Protection's ("CBP") efforts to improve collections of antidumping and countervailing duties were inconsistent with the United States' obligations under the WTO. The Appellate Body found that CBP's enhanced continuous bonding program was neither a "reasonable security" nor "necessary" for the collection of antidumping duties on shrimp imports.

The Appellate Body's decision comes shortly after the Deputy Assistant Secretary of the Treasury, Timothy Skud, testified before the Senate Finance Committee that CBP "is able to collect less than 50 percent of antidumping and countervailing duties that have been retroactively assessed in excess of bonds or cash deposits." The decision effectively prevents the United States from taking any meaningful steps to improve the abysmal record of duty collection. The ruling establishes an impossible standard that prevents the government from implementing any measures that would assist in duty collection and establishes a precedent that would allow the WTO's dispute settlement system to oversee and reject any efforts made by U.S. governmental agencies to enforce trade remedy laws generally.

"The WTO's decision insults both Customs' officers who worked hard to develop a reasonable program that would address importers' efforts to evade our laws and the domestic industries that have spent significant resources attempting to obtain WTO-negotiated and accepted remedies against unfair trade," said John Williams, executive director of the Southern Shrimp Alliance. "The ruling makes clear that the Appellate Body did not understand the nature of the problem faced by the U.S. government, nor did it understand the basic mechanics of how a retrospective antidumping duty assessment system, like that administered in our country, works. It is unconscionable that we have surrendered some of this nation's sovereignty to an international body that's most readily identifiable characteristic is rank incompetence cloaked in arrogant condescension."

Notwithstanding the Appellate Body's overreaching decision, the U.S. government must implement and maintain measures that will address the nearly \$1 billion in uncollected antidumping and countervailing duties reported by CBP since 2001. Absent a strong, unwavering response from the government, U.S. trade remedy laws – an essential component of the United States' acquiescence to both the WTO and free trade agreements – will be rendered largely ineffective.

SSA is an alliance of the U.S. warmwater wild shrimp fishery from eight states: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. For more information on the SSA, please visit [www.shrimpalliance.com](http://www.shrimpalliance.com).