



# The Shrimp e-Advocate

News Edition

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The Southern Shrimp Alliance (SSA) is a non-profit alliance of members of the U.S. shrimp industry in eight states committed to preventing the continued deterioration of America's shrimp industry and to ensuring the industry's future viability. SSA serves as the national voice for the shrimp fishermen and processors in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

## Quick Links

[SSA Website](#)

## Board of Directors

### North Carolina:

Nancy Edens

[keywestnative57@yahoo.com](mailto:keywestnative57@yahoo.com)

PD Mason

[cmason5@ec.rr.com](mailto:cmason5@ec.rr.com)

### South Carolina:

Clay Cable

[claycable@aol.com](mailto:claycable@aol.com)

Eddie Gordon

[eddie@wildamericanshrimp.com](mailto:eddie@wildamericanshrimp.com)

### Georgia:

Elaine Knight

[kseafood@bellsouth.net](mailto:kseafood@bellsouth.net)

Mike Dubberly

[daddysboy1775@aol.com](mailto:daddysboy1775@aol.com)

### Florida:

Sal Versaggi [versaggi-](mailto:versaggi-shrimp@intnet.net)

[shrimp@intnet.net](mailto:shrimp@intnet.net)

Chris Gala

## BREAKING NEWS

### SSA President Attends CEO-Level Meeting on APEC

SSA President Elaine Knight was selected by the U.S. State Department to attend a November 15 CEO Roundtable meeting on Asia-Pacific Economic Cooperation (APEC). Hosted by Secretary Condoleezza Rice, the meeting allowed SSA to discuss the problems caused by dumped shrimp imports from Asia-Pacific countries with top-level U.S. government cabinet officials and 35 other top U.S. company CEOs.

During the discussion period lead by Secretary of Commerce Gutierrez, Knight emphasized how APEC could address the issues affecting the U.S. shrimp industry, such as import food safety, foreign subsidies, and trade law enforcement. A number of participants supported Knight's comments or thanked her for raising the issues, including representatives of Proctor & Gamble, Caterpillar, and Citibank.

Secretary Gutierrez responded by thanking SSA for reminding participants of the effect of trade on domestic industry and supporting trade law enforcement.

## LEGAL UPDATE

### Letters from CBP

Those who have applied for CDSOA (Byrd Amendment) funds in 2007 have begun receiving letters indicating how much they will be receiving from the U.S. Treasury this year. The U.S. shrimp industry should expect significantly less in distributions compared to what they were paid last year as there was substantially less money available for distribution in 2007 and more applicants appear to have

[tricocg@aol.com](mailto:tricocg@aol.com)

**Alabama:**

Ernie Anderson  
[and5612@comcast.net](mailto:and5612@comcast.net)  
Mickey Johnson  
[ibuiltinc@aol.com](mailto:ibuiltinc@aol.com)

**Mississippi:**

Richard Gollott  
[goldengf@bellsouth.net](mailto:goldengf@bellsouth.net)  
Thomas Schultz  
[revahopkins@bellsouth.net](mailto:revahopkins@bellsouth.net)

**Louisiana:**

Cathy Blanchard  
[madamecheverette@myviscom.com](mailto:madamecheverette@myviscom.com)  
Scott St. Pierre  
[momanddad@mobiletel.net](mailto:momanddad@mobiletel.net)

**ASPA:**

Lance Authemont  
[highseas@internet8.net](mailto:highseas@internet8.net)

**VACFU:**

Calvin Nguyen  
[calvng2000@aol.com](mailto:calvng2000@aol.com)  
Gary Ngyuen

**Texas:**

Wilma Anderson  
[texasshrimp@cablone.net](mailto:texasshrimp@cablone.net)  
Craig Wallis  
[lswallis@hotmail.com](mailto:lswallis@hotmail.com)

filed claims.

An analysis of the letters shows that the domestic shrimp industry in total requested more than double the amount of reimbursements for qualified expenditures this year versus last year. The letters also explain that \$41.7 million in funds is available for distribution this year, which is only 39% of what was available for distribution last year.

### ***Less CDSOA Funds***

More money was available for distribution in 2006 because the vast majority of shrimp imports were not subject to the first administrative review. SSA placed a priority on getting vitally-needed monies distributed to the shrimp industry as quickly as possible and ultimately reached agreements to end reviews for 104 companies. As a result, antidumping duties deposited on the shrimp imports were collected and more than \$100 million was distributed to the U.S. shrimp industry under CDSOA last year.

Less money is available in 2007 because substantial amounts of shrimp imports are subject to the second administrative review. Millions of dollars in antidumping duties are tied up in further litigation until at least 2009 because the Louisiana Shrimp Association (LSA) requested administrative reviews that may yet result in the reduction of the antidumping duties collected by CBP. LSA's actions prevented SSA from determining whether or not exporters were subject to reviews. Ironically, LSA has since abandoned the legal proceedings they requested. SSA remains the only organization defending the antidumping duty orders.

### **CBP Meeting in Indianapolis**

On November 20, 2007, Executive Director John Williams met with Customs and Border Protection (CBP) officials in Indianapolis to voice SSA's continuing concerns with CBP's system for distributing funds under CDSOA.

Certifications submitted last year by members of the domestic shrimp industry included claims (1) made by parties ineligible to receive CDSOA funds; (2) that were significantly overstated by reason of error; and (3) that claimed qualified expenditures that were significant increases above those claimed in FY2005 certifications, inconsistent with the rest of the industry. SSA appreciates the unprecedented work CBP has dedicating to verifying 2006 distributions. However, a CDSOA distribution system

that fails to identify questionable, obviously mistaken, or fraudulent claims prior to distribution and instead relies on post-distribution verifications to uncover problems is less than ideal.

SSA requested that the CBP take several actions to address this problem. For example, SSA asked CBP to publish information that would allow the domestic industry to help identify possible errors or fraud in claims prior to distribution of CDSOA funds.

In a positive development, the CBP indicated that for eligible companies that owe back overpaid 2006 CDSOA funds, it will deduct the amount owed from the 2007 CDSOA distributions. If a claimant was determined to be ineligible for distributions altogether during verification, the CBP indicated it would deny future certifications from the claimant. The CBP's actions will help increase the monies available for all other deserving CDSOA recipients.

#### **WTO Rules Against Continuous Bonding for India, Thailand**

In a confidential report issued to government officials, a WTO panel ruled in favor of challenges by Thailand and India that the continuous bonding requirement on shrimp imports violates WTO rules. Under the continuous entry bond, CBP requires shrimp importers from the six countries to post bonds equal to the value of the shrimp they imported in the previous year multiplied by the assessed antidumping duty. The determination only applies to Thailand and India and will not have an immediate effect on the collection of antidumping duties or on continuous bonding requirements. SSA has not had the opportunity to review the specific contents of the WTO panel's ruling as the decision has not yet been made available to the public. Once a public version of the decision has been released, the U.S. government has 60 days from publication of the ruling to file an appeal.

#### **REGULATORY AND LEGISLATIVE UPDATE**

##### **Dr. Hogarth Announces Retirement**

Dr. William Hogarth, NOAA's Assistant Administrator for Fisheries, announced his intention to retire at the end of

2007. He will become Interim Dean for the College of Marine Science at University of South Florida, effective January 15, 2008. Please join SSA in thanking Dr. Hogarth for his years of service.

#### **SAFMC Meeting on "Use It or Lose It" Policy**

SSA representatives attended the South Atlantic Fisheries Management Council (SAFMC) December 3rd Public Scoping Session for Amendment 7 to the Shrimp Fishery Management Plan. Amendment 7 addresses problems with the current "Use It or Lose It" provision for the rock shrimp fishery, but will not be completed until late in the 2008 fishing year at the earliest.

The December 31, 2007 deadline for rock shrimp fishermen to meet the limited access permit requirements under the 2003 Shrimp Amendment 5 "use it or lose it" policy is nearing. Under the policy, a limited access rock shrimp permit that is "not active" during a 48-month period (4 calendar year period; 2004-2007) will not be renewed. A rock shrimp limited access permit is considered inactive if the vessel does not have documented landings of at least 15,000 pounds of rock shrimp in one out of four of those years. If you have not met your permit criteria, please call the National Marine Fisheries Service's Southeast Regional Office to discuss ways to maintain your license, such as license transfer options--it may be possible to "restart the clock" on your permit.

#### **Senator Lott Announces Retirement**

After a 35-year career in Congress, Senator Trent Lott (R-MS) will retire before the end of the year, five years before the end of his current six-year term. Senator Lott has been a vocal advocate for the U.S. shrimp industry. He has supported the shrimp trade actions, helped secure hurricane disaster relief, and worked to increase the Food and Drug Administration's capabilities to test imported seafood. The SSA applauds his repeated efforts to address problems facing the U.S. shrimp industry and hopes you will join us in thanking Senator Lott for his strong leadership.

**MEMBER UPDATE**

## **Board Meeting in February**

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SSA will hold its next Board meeting in Washington, D.C. in February 2008. While in the nation's capitol, SSA members will bring priority issues to our Congress and the Administration. Items to be discussed with elected officials include enforcement of U.S. trade laws, fair and equitable distributions of CDSOA (Byrd) funds, improved imported seafood safety, and marketing among other matters.

### **Happy Hoildays!**

SSA wishes our members a safe and happy holiday season. We look forward to working with you in 2008 to ensure the future of the U.S. shrimp industry!