



The Shrimp e-Advocate

Newsletter

June 2008

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.

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BREAKING NEWS

Time to Apply for CDSOA Funds

The U.S. Customs and Border Protection is inviting affected domestic producers that are potentially eligible to receive an offset under the Continued Subsidies and Dumping Offset Act (CDSOA or Byrd Amendment) to submit certifications of qualifying expenditures. Certifications **for each shrimp antidumping** order must be received by **July 29, 2008** to be eligible.

On October 1, 2007, the law that allows for distribution of antidumping duties to the industry was terminated. The Notice states that expenses must be incurred before October 1, 2007 to qualify under the program.

Also note that the antidumping duties on shrimp from Ecuador were revoked on August 23, 2007. In this case, eligible expenditures would have to be incurred between February 1, 2005, and August 23, 2007.

Please thoroughly read the [May 30, 2008 Federal Register Notice](#) for important information on how to properly apply for distributions under the CDSOA. General questions regarding preparation of certifications should be directed to Leigh Redelman, Revenue Division of CBP, at (317) 614-4462.

H2-B Visa Extension Amendment Removed from Funding Bill

Last week, Majority Leader Harry Reid (D-NV) stripped an important amendment from the Senate supplemental funding bill that would have provided a three-year extension of an H2-B returning worker visa program that expired on September 30, 2007. The amendment, sponsored by Senator Barbara Mikulski (D-MD), exempts returning workers who have played by the rules from counting against the 66,000 cap on visas. SSA continues to work with Senate and House leaders to pass the H2-B Visa Returning Worker Exemption Extension, which is critical to many shrimp businesses that need non-skilled seasonal workers.

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LEGAL UPDATE

Circumvention Issues Continue, Despite Increased Enforcement

Prior to the exemption of "dusted" shrimp from the antidumping orders, shrimp sprinkled with a small amount of flour were rarely imported to the United States. Since 2005, there has been an explosion of dusted shrimp imports, especially from China, as a means of avoiding antidumping duties.

Customs and Border Protection (CBP) has cracked down on products labeled as dusted shrimp that do not meet the definition developed by the Department of Commerce. CBP is also investigating shrimp products from China that are illegally labeled as products from other countries. Recent commercial shipment data shows that following CBP's enforcement actions on "dusted" shrimp from China, importers have begun to bring in purportedly "dusted" shrimp from Malaysia. The CBP's enforcement actions apparently led to a number of Chinese exporters withdrawing shipments of "dusted" shrimp from the United States and, apparently, returning the product to China. Because Malaysia had never before supplied the U.S. market with "dusted" shrimp prior to CBP's actions and because trade data indicate that Malaysia has been a significant transshipment point for Chinese shrimp imported without payment of antidumping duties, the import of Malaysian "dusted" shrimp is highly suspicious and may indicate transshipment. SSA continues to work with CBP to identify and address illegal circumvention of the antidumping orders.

GAO Study Reveals Uncollected Duties

The Government Accountability Office (GAO) again issued a report that urges Congress and Agencies to take additional steps to reduce substantial shortfalls in duty collection. A copy of the report can be found at www.gao.gov/new.items/d08391.pdf.

The GAO findings bolster SSA's arguments for an enhanced bonding requirement on shrimp imports subject to antidumping orders. The enhanced bonding requirement has allowed Customs to collect 85 percent of the duties owed on unfairly traded shrimp, which is significantly higher than other similar industries. For example, only around 5 percent of the duties owed on crawfish were collected.

The WTO erroneously ruled that the enhanced bonding requirement on shrimp is an unreasonable restriction of trade. The WTO's initial decision was appealed by the three principle countries involved in the case (Thailand, India, and the United States) and is now before the WTO Appellate Body. The program is vital to ensure that U.S. trade laws are enforced for the U.S. shrimp industry and SSA will continue to work with the United States Trade Representative and CBP to ensure that the protections provided by the enhanced bonding requirement remain in place.

Transshipment of Adulterated Honey Leads to Federal Charges

The Department of Justice announced on May 28 that two Chicago executives of a food ingredients company were arrested on federal charges for allegedly conspiring to illegally import honey from China that was falsely identified as coming from other countries in order to avoid antidumping duties and an import alert on Chinese honey issued by the Food and Drug Administration (FDA). The honey was found to contain banned antibiotics.

SSA applauds the Department's actions to bring criminal charges. Commercial shipment data indicate that Chinese shrimp may also be falsely identified as originating from other countries in order to circumvent both antidumping duties and the FDA's import alert on Chinese shrimp. SSA is preparing formal allegations for submission to CBP, FDA, and Immigration and Customs Enforcement regarding particular importers that appear to be utilizing schemes to avoid the payment of antidumping duties and the FDA's import alert.

Administrative Reviews Proceed

Every year on the anniversary date of the imposition of antidumping duties, the Department of Commerce invites parties to request a review of whether the duty level appropriately offset the amount of dumping that occurred. Here is a quick status summary of the continuing litigation:

The first administrative review results of some Thai companies, including Thai I-Mei, Good Luck Product, Gallant Ocean, and Fortune Frozen Food are being appealed.

Last month, SSA submitted briefs in the second administrative review for imports from Brazil, Ecuador, India, Thailand, and Vietnam. Rulings are expected on July 8th for companies from Brazil, Ecuador, and India and on September 2nd for companies from Thailand and Vietnam.

No administrative review took place for China because Chinese exporters did not report shipping any shrimp subject to antidumping duties during the second administrative review period.

The third administrative review is also underway. The Department of Commerce has selected two mandatory respondents to review for Ecuador (Promarisco and SONGA), India (Devi and Falcon Marine) and Thailand (the Rubicon Group and Pakfood) and has yet to determine which individual companies from Thailand and China will be reviewed. Official government statistics indicates that no Brazilian shrimp was exported to the United States during the third administrative review period. Early July is the deadline for parties to withdraw requests for review.

LEGISLATIVE UPDATE

More Banned Antibiotics Found in Shrimp Imports

Despite the Import Alert, U.S. agencies continued to find banned antibiotics on Chinese shrimp imports in April, according to the FDA's most recent OASIS report. Four shipments of shrimp from Vietnam and shipments from Malaysia were also found to be adulterated with illegal antibiotics. Other countries such as the EU, Japan, and Canada have all had persistent problems with Vietnamese shrimp, but the recent finding marks the first for the United States in several years. Commercial shipment data indicates that the Malaysian company that supplied adulterated shrimp may be transshipping Chinese shrimp. The company has now been added to the FDA's import alert list for individual exporters shipping shrimp products contaminated with banned antibiotics.

SSA continues to work with Congress and the Administration to increase testing for illegal antibiotics on imported shrimp. In May, SSA submitted comments on a House food safety bill and met with the Senate staff of the Health, Education, Labor and Pensions Committee to review draft food safety legislation. It is expected that Congress will move on food safety issues before the August recess.

Health Care Coverage Plan

The availability of affordable and reliable health care for all US fishermen has become an unusually serious problem. Commercial fishing is among the most dangerous jobs in the nation, and yet fishing families are 3 to 4 times more

likely to be uninsured than the average citizen of the United States.

SSA has asked our elected officials to support "The Commercial Fishing Industry Health Care Coverage Act of 2008." The legislation, which is modeled after the successful state program in Massachusetts, would allow states and organizations to develop health plans - based on their specific region's needs - to provide affordable, high quality coverage to fishing families while also obtaining significant cost savings for taxpayers. For more information or to see how you can support the "call to action," visit www.fphp.org.

Exemption to EPA Discharge Permits Possible

The Clean Boating Act of 2008, sponsored by Senator Boxer (D-CA) and Senator Bill Nelson (D-FL), was marked-up by Committee and moved to the Senate floor for debate. The bill fully and permanently restores the longstanding exclusion for recreational boaters and anglers from the federal and state permitting requirements under the Clean Water Act.

Senator Inhofe (R-OK), the senior Republican on the Committee, stated that the bill needed an amendment to extend the exemption to commercial fishing vessels to avoid being blocked on the Senate floor. SSA has been working intensively in both House and Senate and with other fishing groups nationwide to secure an amendment to exempt commercial fishing vessels from the permit requirement. Specifically, SSA supports the Vessel Discharge Evaluation and Review Act introduced to the Senate by Senator Stevens (R-AK) and introduced to the House by Representative Young (R-AK).

Without a change in law, shrimp vessels will be subject to the NPDES permit requirement as of September 30, 2008 due to a District Court ruling. An appeal is currently pending before the U.S. Court of Appeals for the Ninth Circuit.

REGULATORY UPDATE

No Time-Area Closures Needed to Meet Red Snapper Goals

A revised report presented to the Gulf of Mexico Fisheries Management Council confirmed that shrimp effort in 2007 was low enough to exempt the shrimp industry from time-area closures mandated by Amendment 27/14 to reduce

red snapper bycatch. The rule requires that shrimpers reduce red snapper bycatch mortality by 74% from the average levels five years ago in the 10-30 fathom areas of the western Gulf. The shrimp effort in 2007 was 78% of the 2001-2003 average. Since the actual effort decreased substantially, no additional closures are expected under the new rule.

SSA Comments on Possible Loggerhead Turtle Reclassification

SSA submitted comments to the National Marine Fisheries Service (NMFS) that oppose the reclassification of the Western North Atlantic loggerhead turtle as a "distinct population segment" that deserves endangered species status and critical habitat protections in all state and federal land and water used by the species.

There appears to be a decline in nesting across all subpopulations of the loggerhead turtle. However, SSA noted that this figure alone does not indicate the species' health and requested that NMFS look at more robust indicators, such as abundance data, to determine the events that are causing (or caused) the decline in nesting females.

In August 2007, NMFS and the U.S. Fisheries and Wildlife Service determined that the loggerhead was properly classified and did not warrant a distinct population segment designation. The loggerhead turtle is currently listed as "threatened," which affords the species many of the same protections that could be had under "endangered" status. SSA will continue to work with the Council on this issue as more information becomes available.

Positive Meetings on HAPC

SSA continues to work with industry, Council members, and environmental organizations to adjust one boundary of one of the four Habitat Areas of Particular Concern (HAPC) that could unnecessarily impact the royal red shrimp fisheries. SSA is seeking to have the boundary moved so the HAPC excludes a relatively small area that is not coral habitat, as evidenced by the traditional and current frequent use of shrimp gear in this area. The meetings have been very positive and productive. SSA hopes that a resolution to the issue facing royal red shrimpers will be announced at the South Atlantic Fisheries Management Council hearing in early June.

MEMBERSHIP UPDATE

Summary of Issues

It is not practical for SSA to give a thorough debrief on all of the issues it has worked on in a given monthly newsletter. However, it is important that members know that they have not been forgotten just because they were not mentioned. In no particular order, SSA also (1) continues to seek fair and equitable CDSOA (the Byrd Amendment) distributions; (2) supports reinstatement of a modified CDSOA; (3) supports funding of WASI, possibly with antidumping duties if CDSOA is not reinstated; (4) works to address illegal imports, including mislabeled country of origin, product description, weights, and adulteration; (5) seeks relief monies to offset the impact of high fuel costs, natural disasters, and trade; and, (6) is working with USDA to make U.S. wild-caught shrimp eligible for government purchase. This list is not exhaustive.

If you would like to have more input on SSA's priorities, please contact your state representative. Remember, SSA's next Board meeting is scheduled for July 28-29 in Biloxi, Mississippi. Members are welcome to attend the meeting and provide feedback to the Executive Committee.

SSA to Attend Shrimp Producers Association Meeting

SSA's Richard Vendetti will be attending the monthly meeting of the Shrimp Producers Association in Fernandina, Florida on June 21st (the May 17th meeting was postponed). In addition to dockside meetings in Florida around the time of the meeting, Richard Vendetti will be returning to South Carolina as well. Please feel free to contact him at 912.222.8796 for more details on where you can learn more about SSA's efforts.

WASI UPDATE

Fresh from the Bayou

Make sure you pick up the June 2008 issue of Southern Living for another great article about the domestic shrimping industry featuring Timmy Cheramie. This four page article features an interview with Timmy, details about the Wild American shrimp movement, and Timmy's favorite recipes. Scott Jones, Senior Editor for the magazine, visited with Timmy at his home in Cutoff, Louisiana to further research the lifestyle and personality of this charismatic shrimper. Since meeting Timmy at past events with Wild American Shrimp, the editors of Southern Living have become huge advocates for the domestic shrimping industry and do a good job of sharing this opinion in the four page article entitled "Fresh from the

Bayou."

If you miss out on the print edition, you may never know the secret ingredients to Timmy's Boiled Shrimp, Bayou Fried Shrimp, Shrimp Sauce, or Shrimp & Sausage Stew. You can also find Timmy's interview online at www.southernliving.com/timmy

Certified Wild American Shrimp from South Carolina

The South Carolina Shrimpers Association has given WASI funds to participate in a special regional promotion over the summer. Working alongside the SC Department of Agriculture and the Sea Grant University Extension, WASI has billboard and print ads as well as promotional activities planned with area restaurants and grocery stores that are committed to supporting the state's shrimping community.

Kroger South Carolina and Harris Teeter will be featuring certified Wild American shrimp from South Carolina in stores all along the coast throughout the summer. Additionally, Sustainable Seafood Dinners sponsored by the SC Aquarium will feature certified Wild American shrimp and will help educate high-end diners on the importance of buying domestic, wild-caught shrimp. These dinners are being planned and presented by three exclusive restaurants in Hilton Head, Myrtle Beach, and Charleston and will include wine tasting and a variety of dishes using the three primary species of warm-water shrimp.

Courting the Wild Crustacean

Santé, the magazine for restaurant and hospitality professionals, carries a story entitled "Courting the Wild Crustacean" in their May 2008 edition. The magazine has a readership of 225,000 restaurant owners, general managers, chefs, and beverage managers nationwide and is a perfect educational medium for speaking directly to culinary trendsetters. Although the magazine is only available to subscribers, WASI will gladly send you a copy of the article if you'd like to read it. Contact Jenna Bradley at jenna@wildamericanshrimp.com to get your copy.

Santé Restaurant Symposium

WASI Executive Director, Eddie Gordon, and Santé 2007 Chef of the Year, Bob Waggoner, will be presenting certified Wild American shrimp at a special "Call of the Wild" educational workshop as well as at various meals and events throughout the symposium.

The Santé Restaurant Symposium is the most comprehensive and compelling conference of its kind,

designed specifically for fine-dining and upscale-casual hospitality professionals who want to increase profits, stay on top of trends, and learn from and network with the most successful restaurateurs in the industry. The event attracts more than 300 attendees and a star roster of industry greats, including Charlie Trotter; Evan Goldstein, John Blazon, and Tony Abou-Ganim.