



Southern Shrimp Alliance

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May 11, 2018

Ambassador Robert Lighthizer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Docket No. USTR-2018-0005; Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

Dear Ambassador Lighthizer,

On behalf of the membership of the Southern Shrimp Alliance, I am writing in support of the request made through the April 17, 2018 letter from Senator John Kennedy (LA) to President Donald J. Trump that Chinese crawfish and shrimp be included as part of the merchandise subject to increased tariffs in any action taken under 19 U.S.C. § 2411 (Section 301). Further, the Southern Shrimp Alliance believes that the Administration should include *all* imports of merchandise produced through Chinese aquaculture in any Section 301 action.

The Southern Shrimp Alliance is an organization of shrimp fishermen, farmers, processors, unloading docks, and associated shoreside businesses in the coastal states of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, and Texas. Currently, the U.S. shrimp industry supports thousands of small and medium-sized family-run enterprises and is a vital contributor to the economies many communities. As an organization, the Southern Shrimp Alliance is committed to enhancing the long-term viability of one of the nation's most valuable commercial fisheries and delivering a healthy, wholesome food product to the American public.

In the Federal Register Notice published from the Office of the United States Trade Representative (USTR), the agency explains that the list of products proposed to be covered by any Section 301 action was developed by the identification of "products that benefit from Chinese industrial policies, including Made in China 2025," with refinements made to remove "specific products identified by analysts as likely to cause disruptions to the U.S. economy, and tariff lines

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that are subject to legal or administrative constraints.”¹ The final list set out in the Federal Register Notice was established by first ranking these products “according to the likely impact on U.S. consumers, based on available trade data involving alternative country sources for each product,” and then “selecting products from the ranked list with lowest consumer impact.”

We note that, in the context of a countervailing duty investigation, the U.S. Department of Commerce has previously made final affirmative determinations that Chinese shrimp producers and exporters received significant government assistance for their operations from the Government of China.² Thus, the Chinese shrimp industry has benefitted from Chinese industrial policies. At the same time, because of the widespread adoption of aquaculture production throughout the world, any limitation or encumbrance on imports of merchandise produced through Chinese aquaculture would have a limited adverse impact on American consumers.

More importantly, the Southern Shrimp Alliance believes that the inclusion of goods produced through Chinese aquaculture in any Section 301 action would *benefit* American consumers. The indiscriminate and unregulated use of antibiotics in aquaculture poses a significant health and safety risk to American consumers and, because of the spread of antimicrobial resistant pathogens, to the public at large. Most major aquaculture producing countries have undertaken substantial steps to eradicate the use of antibiotics. On the other hand, a small number of countries, including China, have declined to take similar measures and have enjoyed unfair (and deeply unethical) competitive advantages over responsible aquaculture producers.

This is true not only for shrimp production in China. As the Louisiana Crawfish Farmers Association reports, “[c]hloramphenicol, an antibiotic found in food substances by the U.S. Food and Drug Administration, is often found in imported Chinese crawfish.”³ Recently published academic articles confirm the continued widespread use of antibiotics in Chinese aquaculture across a wide variety of seafood species. The abstract of one recently published study explains:

Aquaculture is a booming industry in the world and China is the largest producer and exporter of aquatic products. To prevent and treat disease occur[ing] in aquaculture, antibiotics are widely applied. . . . [In total], 234 cases on antibiotic residues in Chinese aquatic products were recorded, including 24 fish species, eight crustacean species, and four mollusc species. Thirty-two antibiotics have been

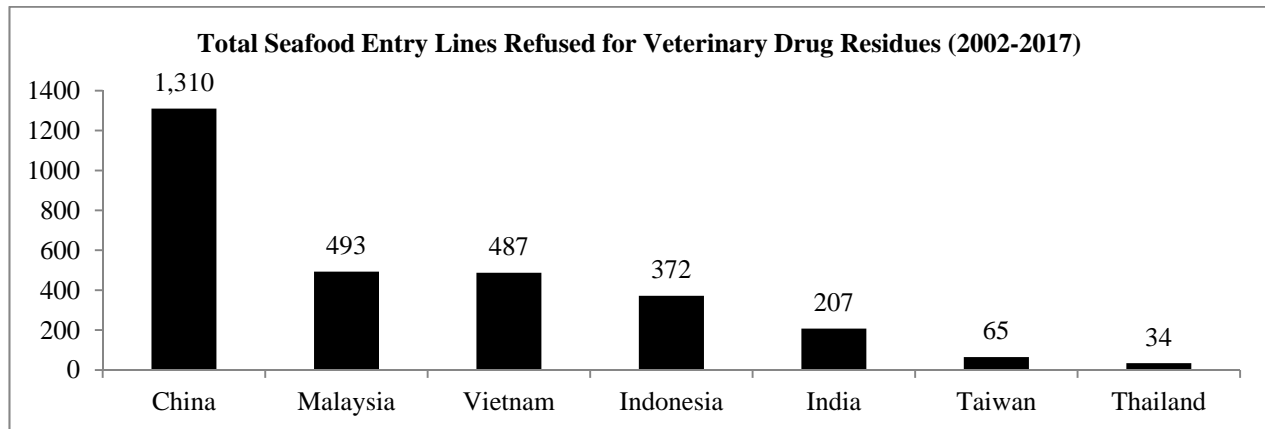
¹ See China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 83 Fed. Reg. 14,906, 14,907 (U.S. Trade Representative Apr. 6, 2018) (Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301).

² See Issues and Decision Memorandum accompanying Certain Frozen Warmwater Shrimp from the People’s Republic of China, 78 Fed. Reg. 50,391 (Dept. Commerce Aug. 19, 2013) (Final Affirmative Countervailing Duty Determination).

³ See Louisiana Crawfish Promotion and Research Board, “Ask Before You Eat,” <http://www.crawfish.org/ask.html> (last visited May 10, 2018).

detected in aquatic products; . . . [A] national comprehensive investigation on the amount of antibiotics used in Chinese aquaculture is still needed in future studies.⁴

In fact, no country has a worse record regarding the presence of banned antibiotics in their seafood shipments to the United States than China. In the sixteen years spanning 2002 through 2017, seafood from China – on its own – has accounted for fully 42 percent (1,310 of 3,114) of the total amount of seafood entry lines refused by the FDA for veterinary drug residues:



Notably, the vast majority of the seafood entry line refusals for the second largest contributor to this category, Malaysia, were the result of the transshipment of Chinese-origin shrimp through Malaysia to evade antidumping duties and FDA regulatory oversight.⁵

Rather than improve, the discrepancy between China’s approach to aquaculture and the rest of the world’s has deteriorated over time. Last year, Chinese seafood accounted for 57 percent (82 of 143) of the total seafood entry lines refused by the FDA for reasons related to veterinary drug residues. Through the first four months of this year (January through April), **over 91 percent** (41 of 45) of this type of seafood entry line refusals were of Chinese seafood.

The issues with Chinese seafood encompass a wide variety of different aquacultured products, a further indication of a widespread problem over which the country has exercised little control. The chart below breaks down the individual entry lines of Chinese seafood refused by the

⁴ See Xiao Liu, Joshua Caleb Steele, Xiang-Zhou Meng, “Usage, residue, and human health risk of antibiotics in Chinese aquaculture: A review,” *Environmental Pollution*, Vol. 223, pages 161-169 (Apr. 2017). See also Wing Yin Mo, Zhanting Chen, Ho Man Leung, Anna Oi Wah Leung, “Application of veterinary antibiotics in China’s aquaculture industry and their potential human health risks,” *Environmental Science and Pollution Research*, Vol. 24, Issue 10, pages 8978-8989 (Apr. 2017).

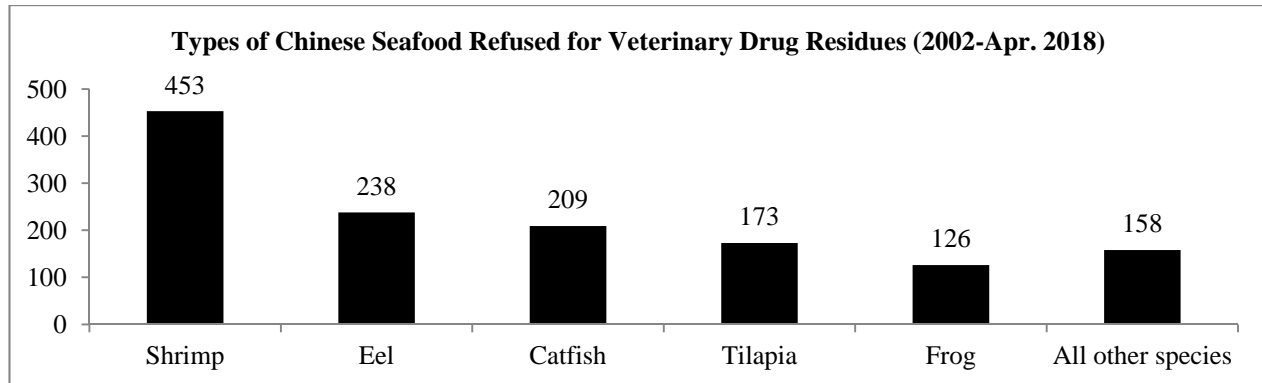
⁵ See, e.g., Jason Gale, Lydia Mulvany, and Monte Reel, “How Antibiotic-Tainted Seafood from China Ends Up On Your Table,” *Bloomberg Businessweek* (Dec. 15, 2016) available at: <https://www.bloomberg.com/news/features/2016-12-15/how-antibiotic-tainted-seafood-from-china-ends-up-on-your-table> (last visited May 9, 2018). Similarly, the FDA has reported detecting veterinary drug residues in imports of crawfish from countries with no history of use of antibiotics in aquaculture, such as Spain and Egypt, indicating the possibility of transshipment of Chinese-origin goods.

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FDA for banned antibiotics since 2002 by the five largest types of seafood involved (shrimp, eel, catfish, tilapia, and frog). Shrimp has accounted for over one-third of the total number of these entry line refusals over that time period, but finfish (including tilapia and catfish) and other forms of seafood have been substantial contributors to this total as well:



The attachment to this letter identifies, by ten-digit code of the Harmonized Tariff Schedule for the United States (HTSUS), the specific merchandise produced by Chinese aquaculture that should be subject to any Section 301 action, along with the import values associated with those HTSUS codes for 2015, 2016, and 2017. In 2017, the United States imported over \$2.6 billion worth of seafood from China. Of that total, nearly \$1 billion were produced from Chinese aquaculture, including shrimp, crawfish, eel, catfish, tilapia, and frogs.

Given the heavy involvement of the Government of China in promoting the nation's aquaculture industry through industrial policies and subsidies in order to increase its exports, China's unwillingness to seriously address the broad utilization of antibiotics by fish farmers is particularly indefensible and unconscionable. Including merchandise produced through Chinese aquaculture in any action taken by this Administration pursuant to Section 301 would therefore assist in addressing the acts, policies, and practices of China that are unreasonable or discriminatory and that burden or restrict U.S. Commerce while, at the same time, benefitting U.S. consumers by reducing consumption of contaminated products in the U.S. market.

Thank you for your consideration of this request. I am available to address any questions you might have regarding this correspondence.

Sincerely,

John Williams
Executive Director

cc: Senator John Kennedy, Member, Committee on Appropriations

Imports of Chinese Aquacultured Seafood Products into the United States (2015-2017)				
HTSUS Code	Description	2015 Value (US\$)	2016 Value (US\$)	2017 Value (US\$)
0304610000	TILAPIA FILLETS, FROZEN	\$580,403,699	\$424,535,041	\$383,307,108
1605211020	SHRIMPS AND PRAWNS, BREADED, FROZEN	\$146,647,988	\$147,795,924	\$165,421,279
0306170040	SHRIMPS AND PRAWNS, FROZEN, PEELED, IMPORTED IN ACCORDANCE WITH STATISTICAL NOTE 1 TO THIS CHAPTER, OTHER THAN COLD-WATER	\$29,157,640	\$50,786,195	\$97,841,537
1605211030	SHRIMPS AND PRAWNS, PREPARED NESOI, FROZEN	\$7,542,702	\$20,427,321	\$56,968,289
1605401010	CRUSTACEANS, PEELED FRESHWATER CRAWFISH TAIL MEAT, PREPARED OR PRESERVED, NESOI	\$57,210,441	\$60,018,128	\$52,802,858
1604171000	EELS, IN AIRTIGHT CONTAINERS	\$48,425,883	\$47,629,904	\$40,454,285
0304620010	ICTALURUS SPP FILLETS, FROZEN	\$30,171,090	\$33,897,601	\$35,940,830
0303230000	TILAPIA (OREOCHROMIS SPP.), FROZEN, EXCEPT FILLETS, LIVERS AND ROES	\$39,445,044	\$38,053,654	\$31,464,755
1605401090	CRUSTACEANS, OTHER THAN PEELED FRESHWATER CRAWFISH TAIL MEAT, PREPARED OR PRESERVED, NESOI	\$5,248,811	\$13,836,438	\$12,257,837
0303890040	TILAPIA, OTHER THAN OREOCHROMIS SPP., FROZEN, EXCEPT FILLETS, LIVERS AND ROES	\$12,350,392	\$10,912,137	\$8,879,462
0306190010	CRAWFISH, FRESHWATER, FROZEN; FLOURS, MEALS AND PELLETS FIT FOR HUMAN CONSUMPTION	\$1,882,500	\$7,401,200	\$7,959,687
1604178000	EELS, WHOLE OR IN PIECES, BUT NOT MINCED, PREPARED OR PRESERVED, NESOI	\$9,146,800	\$5,101,373	\$7,323,538
0304690000	CARP, EELS AND SNAKEHEAD FILLETS, FROZEN	\$6,770,831	\$5,509,047	\$6,225,808
0304310000	TILAPIA (OREOCHROMIS) FILLETS, FRESH OR CHILLED	\$195,632	\$4,848,605	\$2,655,133
0306360040	SHRIMPS AND PRAWNS, FRESH OR CHILLED, PEELED, OTHER THAN COLD-WATER	\$0	\$0	\$2,449,173
0305310100	TILAPIA, CATFISH, CARP, EEL, NILE PERCH AND SNAKEHEAD FILLETS, DRIED, SALTED OR IN BRINE, BUT NOT SMOKED	\$0	\$0	\$2,371,809

0304320090	CATFISH (SILURUS OR CLARIAS), FILLETS, FRESH OR CHILLED	\$757,981	\$2,217,005	\$1,969,814
1605211050	SHRIMPS AND PRAWNS, PREPARED OR PRESERVED, NOT IN AIRTIGHT CONTAINERS, NESOI	\$786,510	\$1,540,542	\$1,772,486
0306170015	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 67-88 PER KG (31-40S), STAT NOTE 1, NESOI	\$83,414	\$2,377,430	\$1,629,375
0306170006	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 33-45 PER KG (15-20S), STAT NOTE 1, NESOI	\$0	\$167,454	\$1,474,809
0306170009	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 46-55 PER KG (21-25S), STAT NOTE 1, NESOI	\$5,316	\$313,771	\$1,429,003
0306950040	SHRIMPS AND PRAWNS, PEELED, NESOI	\$0	\$0	\$964,065
0306350020	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), LIVE, FRESH OR CHILLED, SHELL-ON	\$0	\$0	\$792,579
0306350040	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FRESH OR CHILLED, PEELED	\$0	\$0	\$750,100
0303260000	EELS (ANGUILLA SPP.), FROZEN, EXCEPT FILLETS, LIVERS AND ROES	\$623,950	\$325,654	\$665,399
0306170003	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) LESS THAN 33 PER KG (15S), STAT NOTE 1, NESOI	\$6,126	\$23,900	\$503,815
0306360020	SHRIMPS AND PRAWNS, LIVE, FRESH OR CHILLED, SHELL-ON, OTHER THAN COLD-WATER	\$0	\$0	\$466,808

0304390000	CARP, EELS AND SNAKEHAD FILLETS, FRESH OR CHILLED	\$259,322	\$318,225	\$456,853
0306170024	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 133-154 PER KG (61-70S), STAT NOTE 1, NESOI	\$144,288	\$452,772	\$447,929
0304931090	TILAPIA, CATFISH, CARP, EELS, NILE PERCH & SKHD MEAT, FROZEN, IN BULK OR IN IMMEDIATE CONTAINERS WEIGHING WITH THEIR CONTENTS OVER 6.8 KG EACH, NESOI	\$460,188	\$227,260	\$389,792
0306950020	SHRIMPS AND PRAWNS, SHELL-ON, NESOI	\$0	\$0	\$384,527
1604176000	EELS, WHOLE OR IN PIECES, NOT MINCED, IN OIL AND IN BULK OR IN IMMEDIATE CONTAINERS WEIGHING WITH THEIR CONTENTS OVER 7 KG EACH	\$220,750	\$747,300	\$331,564
0306170012	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 56-66 PER KG (26-30S), STAT NOTE 1, NESOI	\$0	\$159,772	\$329,563
0304620030	SILURIFORMES FILLETS, FROZEN, NESOI	\$0	\$43,980	\$298,362
1605291010	SHRIMPS AND PRAWNS, FROZEN, IN AIRTIGHT CONTAINERS	\$130,275	\$21,942	\$295,088
1605210500	SHRIMP AND PRAWN PRODUCTS CONTAINING FISH MEAT/PREPARED MEALS, NESOI	\$89,317	\$210,539	\$248,362
0305641000	TILAPIA, CATFISH, CARP, EELS, NILE PERCH AND SNAKEHEAD FLOURS,ETC,CONTS WEIGH W/THEIR CONTNTS 6.8 KG OR LESS EACH, SALT BUT NOT DRIED/SMOKED; IN BRINE	\$293,651	\$75,884	\$247,288
0306160040	COLD-WATER SHRIMPS AND PRAWNS, FROZEN, PEELED, IMPORTED IN ACCORDANCE WITH STATISTICAL NOTE 1 TO THIS CHAPTER	\$128,638	\$369,510	\$213,208
1605291040	SHRIMPS AND PRAWNS, PREPARED OR PRESERVED, IN AIRTIGHT CONTAINERS, NESOI	\$137,306	\$172,073	\$160,493

1604175000	EEL FISH STICKS AND SIMILAR PRODUCTS, FILLETS OR OTHER PORTIONS OF FISH, IF BREADED, COATED WITH BATTER OR SIMILARLY PREPARED, NESOI	\$153,900	\$0	\$146,330
0306170018	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 89-110 PER KG (41-50S), STAT NOTE 1, NESOI	\$37,120	\$2,589,964	\$141,827
0306170021	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 111-132 PER KG (51-60S), STAT NOTE 1, NESOI	\$392,301	\$735,888	\$139,221
0306170027	SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) MORE THAN 154 PER KG (70S), STAT NOTE 1, NESOI	\$190,261	\$753,257	\$131,561
0304320010	ICTALURUS SPP FILLETS, FRESH OR CHILLED	\$208,520	\$536,600	\$115,500
0302715000	TILAPIAS, FRESH OR CHILLED, EXCEPT FILLETS, LIVERS AND ROES, NESOI	\$528,086	\$36,480	\$61,410
0302711100	TILAPIAS, FRESH OR CHILLED, SCALED, IN IMMEDIATE CONTAINERS WEIGHING WITH THEIR CONTENTS 6.8 KG OR LESS, EXCEPT FILLETS, LIVERS AND ROES	\$0	\$0	\$53,776
0302740000	EELS (ANGUILLA SPP.), FRESH OR CHILLED, EXCEPT FILLETS, LIVERS AND ROES	\$0	\$104,680	\$38,350
0303240010	ICTALURUS SPP, FROZEN, EXCEPT FILLETS, LIVERS AND ROES, NESOI	\$0	\$33,982	\$25,528
0304510125	TILAPIA (OREOCHROMIS) MEAT, OTHER THAN FILLETS, FRESH OR CHILLED	\$0	\$0	\$16,380
0306160003	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) LESS THAN 33 PER KG (15S), STAT NOTE 1	\$0	\$0	\$11,528

0303240050	CATFISH (SILURUS SPP. OR CLARIAS SPP.), FROZEN, EXCEPT FILLETS, LIVERS AND ROES, NESOI	\$225,326	\$0	\$4,506
0303250000	CARP, FROZEN, EXCEPT FILLETS, LIVERS AND ROES	\$16,896	\$0	\$0
1605290500	SHRIMP AND PRAWN PRODUCTS CONTAINING FISH MEAT/PREPARED MEALS, IN AIRTIGHT CONTAINERS	\$0	\$0	\$0
0305645000	TILAPIA, CARFISH, CARP, EELS, NILE PERCH, SNAKEHEAD , SALTED BUT NOT DRIED OR SMOKED; IN BRINE, OTHER THAN EDIBLE FISH OFFAL, NESOI	\$102,580	\$32,292	\$0
0304939000	TILAPIA, CATFISH, CARP, EELS, NILE PERCH AND SNAKEHEAD FISH MEAT, FROZEN, NESOI	\$0	\$0	\$0
0304931005	TILAPIA, CATFISH, CARP, EELS, NILE PERCH, SNAKEHEAD SURIMI, MINCED, FROZEN, IN BULK OR IN IMMEDIATE CONTAINERS WITH THEIR CONTENTS OVER 6.8 KG EACH	\$0	\$0	\$0
0306160009	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 46-55 PER KG (21-25S), STAT NOTE 1	\$0	\$309,950	\$0
0306160018	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), FROZEN, SHELL-ON, COUNT SIZE (HEADLESS WEIGHT) 89-110 PER KG (41-50S), STAT NOTE 1	\$0	\$258,350	\$0
0306260020	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), SHELL-ON, NOT FROZEN	\$0	\$0	\$0
0306260040	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS SPP., CRANGON CRANGON), PEELED, NOT FROZEN	\$64,393	\$203,085	\$0
0306270020	SHRIMPS AND PRAWNS, SHELL-ON, NOT FROZEN, OTHER THAN COLD-WATER	\$2,812,248	\$1,911,518	\$0

0306270040	SHRIMPS AND PRAWNS, PEELED, NOT FROZEN, OTHER THAN COLD-WATER	\$958,990	\$1,585,685	\$0
0304620020	PANGASIUS SPP, INCLUDING BASA AND TRA, FILLETTS, FROZEN	\$0	\$0	\$0
0304590030	TILAPIA, OTHER THAN OREOCHROMIS, MEAT OTHER THAN FILLETTS, FRESH OR CHILLED	\$0	\$127,934	\$0
0304510025	TILAPIA (OREOCHROMIS) MEAT, OTHER THAN FILLETTS, FRESH OR CHILLED	\$0	\$71,745	\$0
0304510015	PANGASIUS SPP, INCLUDING BASA AND TRA, MEAT (WHETHER OR NOT MINCED), FRESH OR CHILLED	\$175,583	\$25,080	\$0
0304490012	TILAPIA, OTHER THAN OREOCHROMIS, FILLETTS, FRESH OR CHILLED	\$0	\$0	\$0
0305310000	TILAPIA, CATFISH, CARP, EEL, NILE PERCH AND SNAKEHEAD FILLETTS, DRIED, SALTED OR IN BRINE, BUT NOT SMOKED	\$5,005,951	\$4,952,971	\$0
0304320020	PANGASIUS SPP, INCLUDING BASA AND TRA, FILLETTS, FRESH OR CHILLED	\$461,100	\$0	\$0
	Total Value (US\$)	\$990,059,740	\$894,787,042	\$931,430,587