



## Southern Shrimp Alliance

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May 22, 2018

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

**Re:** Docket No. USTR-2018-0005; Posthearing Rebuttal Comments; 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 write in furtherance of our May 11<sup>th</sup> letter of support (USTR-2018-0005-2400) for Senator John Kennedy's request, by an April 17<sup>th</sup> letter (USTR-2018-0005-0763), 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). In particular, the Southern Shrimp Alliance submits these posthearing rebuttal comments in response to the requests of the National Fisheries Institute (USTR-2018-0005-2505), the At-sea Processors Association (USTR-2018-0005-1008), the Freezer Longline Coalition (USTR-2018-0005-2500), the Pacific Seafood Processors Association (USTR-2018-0005-2681), and the Maine Lobster Dealers' Association (USTR-2018-0005-2754) that seafood products be omitted from any Section 301 remedy. In contrast to these views, the Southern Shrimp Alliance continues to believe that the Administration should include *all* imports of merchandise produced through Chinese aquaculture in any Section 301 action. These comments are timely filed.<sup>1</sup>

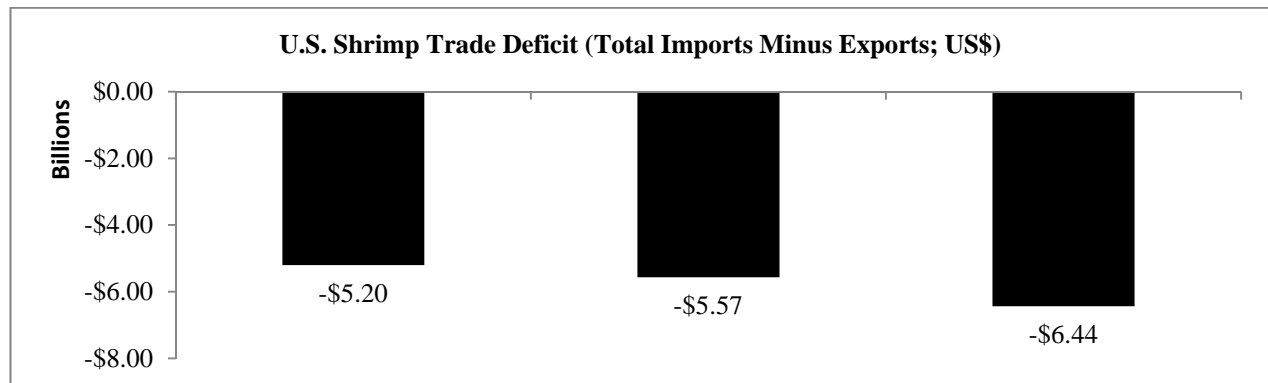
At the outset, it is unsurprising that the National Fisheries Institute, the leading voice of U.S. seafood importing interests, would express opposition to any encumbrance on or limitation to their members' access to the least expensive seafood available on the market regardless of

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<sup>1</sup> 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).

circumstances. There is, however, no comparable direct commercial or financial interest that should result in U.S. commercial fishing interests advocating for the importation of seafood produced through Chinese aquaculture. The Southern Shrimp Alliance appreciates these associations' indirect concerns that any effort to regulate or discipline Chinese seafood imports may adversely impact their access to the Chinese market. As the U.S. market has been overrun with cheap, poor quality imports, the ability to export high quality American seafood to countries that better regulate and limit access to their markets can substantially augment an industry's revenue.

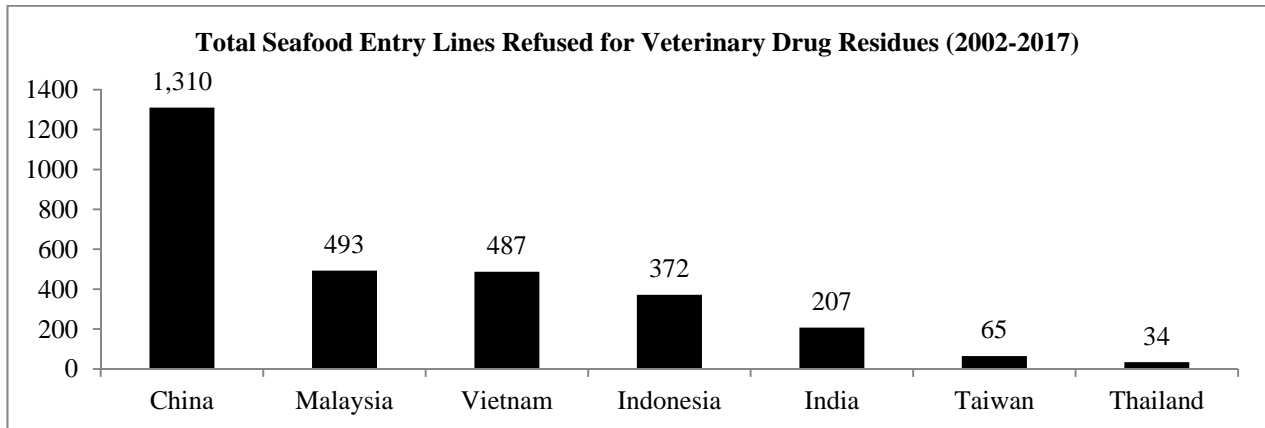
But the grant of access to restricted markets is no justification for keeping this market open to contaminated seafood. This is particularly true in light of the fact that problems with illegal antibiotic use in Chinese aquaculture are well-known and documented.<sup>2</sup> As it stands, the United States suffers from massive trade deficits in seafood as we continue to serve as a dumping ground for cheap, poor quality product. The National Marine Fisheries Service's (NMFS) *Fisheries of the United States 2016* (Aug. 2017) observed that in 2016, the United States had a *\$6.98 billion* trade deficit in edible seafood with Asian countries.<sup>3</sup> For shrimp products alone, the trade deficit has grown significantly over the last three years to *\$6.44 billion* in 2017.



<sup>2</sup> See, e.g., Samwell M. Limbu, Li Zhou, Sheng-Xiang Sun, Mei-Ling Zhang, Zhen-Yu Du, "Chronic exposure to low environmental concentrations and legal aquaculture doses of antibiotics cause systematic adverse effects in Nile tilapia and provoke differential human health risk," *Environment International*, Vol. 115, pp. 205-219 (June 2018); Sisi Liu, Guangbin Dong, Hongxia Zhao, Mo Chen, Wenna Quan, Baocheng Qu, "Occurrence and risk assessment of fluoroquinolones and tetracyclines in cultured fish from a coastal region in northern China," *Environmental Science and Pollution Research*, Vol. 25, Issue 8, pages 8035-8043 (Mar. 2018); 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); 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); and Chao Song, Cong Zhang, Limin Fan, Liping Qiu, Wei Wu, Shunlong Meng, Gengdong Hu, Barry Kamira, Jiazhang Chen, "Occurrence of antibiotics and their impacts to primary productivity in fishponds around Tai Lake, China," *Chemosphere*, Vol. 161, pp. 127-135 (Oct. 2016).

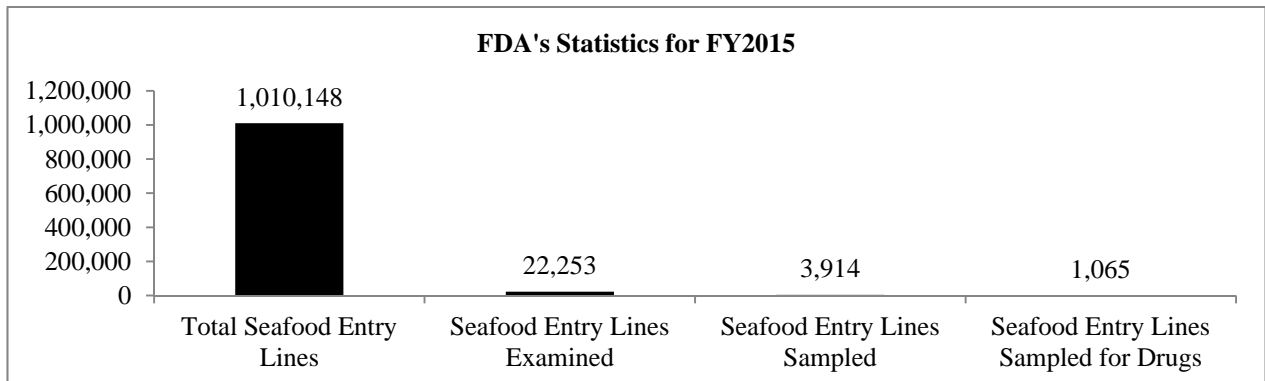
<sup>3</sup> NMFS looked at sixteen Asian countries: Bangladesh, Cambodia, China, India, Indonesia, Japan, Laos, Malaysia, Maldives Island, Pakistan, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, and Vietnam (p. xvii).

As discussed in our May 11<sup>th</sup> submission, no country has a worse record regarding the presence of banned antibiotics in their seafood shipments to the United States than China. Between 2002 and 2017, seafood from China accounted for fully 42 percent (1,310 of 3,114) of the total amount of seafood entry lines refused by the U.S. Food and Drug Administration (FDA) for veterinary drug residues. As shown in the chart below, this total dwarfs any other seafood supplier to the U.S. market:



As also noted in our May 11<sup>th</sup> submission, rather than improve, circumstances have become even worse recently. 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 these entry line refusals were of Chinese seafood.

In the absence of any serious effort by the U.S. seafood importing industry to address this consistent and long-standing problem, the FDA is charged with being the principal bulwark against the introduction of contaminated seafood into the U.S. market. But the FDA must do so with extremely limited resources. In its September 2017 report, "Imported Seafood Safety: FDA and USDA Could Strengthen Efforts to Prevent Unsafe Drug Residues" (GAO-17-443), the U.S. Government Accountability Office (GAO) explained that in fiscal year 2015, the FDA only sampled 1,065 out of 1,010,148 entry lines of seafood to test for veterinary drug residues – meaning that the FDA tested 0.10543% of all seafood imports for banned antibiotics (p. 20).



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Nevertheless, during that same year (FY2015), the violation rates found with regard to the samples taken was stunningly high. Of all the samples of seafood taken that year, 9.8% were found to contain unsafe drug residues (p. 54). For shrimp, 12.2% of the samples taken showed unsafe drug residues; for tilapia, 10.9% of the samples had unsafe drug residues (p. 53). Separately, the FDA's reporting of import rejections indicates that the agency refused 122 seafood entry lines from China for reasons related to veterinary drug residues in FY2015 – an amount substantially in excess of refusals over the prior three fiscal years and, as shown in the chart above, more than the total amount of seafood entry lines refused from any one country in the sixteen-year time period between 2002 and 2017 for all but four countries (Malaysia, Vietnam, Indonesia, and India).

There is no indication that any significant steps or measures have been taken to address the presence of harmful antibiotics in seafood produced through Chinese aquaculture that is exported to the United States. Instead, as noted above, Chinese-origin seafood currently accounts for virtually all of the seafood found by the FDA to be contaminated with veterinary drug residues. As long as this source of supply remains cheap and plentiful, importers will continue to shift any risks involved with introducing potentially contaminated seafood into this market to consumers, as well as the public at large. In these circumstances, an additional tariff on imports of seafood produced through Chinese aquaculture inures to the benefit of all but the importers of this merchandise.

For these reasons, we believe that arguments in opposition to the inclusion of seafood produced through Chinese aquaculture should be disregarded and that, should the Administration conclude that the application of additional tariffs is an appropriate response pursuant to Section 301, imports of seafood produced through Chinese aquaculture will be subject to such tariffs. Thank you, again, for consideration of our request. I am available to address any questions you might have regarding this correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "John Williams".

John Williams  
Executive Director

cc: Senator John Kennedy, Member, Committee on Appropriations