

### Southern Shrimp Alliance P.O. Box 1577 Tarpon Springs, FL 34688 955 E. MLK Dr. Suite D Tarpon Springs, FL 34689 727-934-5090 Fax 727-934-5362

July 27, 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-2018-0026; Request for Public Comments Concerning Proposed <u>Modification of Action Pursuant to Section 301: China's Acts, Policies, and</u> <u>Practices Related to Technology Transfer, Intellectual Property, and Innovation</u>

Dear Ambassador Lighthizer,

On behalf of the Southern Shrimp Alliance, I am writing to request to appear at the public hearing to be convened before the interagency Section 301 Committee beginning on August 20, 2018.<sup>1</sup> 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. The U.S. shrimp industry supports thousands of small and medium-sized family-run enterprises and is a vital contributor to the economies of 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.

The *Federal Register* notice regarding the Section 301 Committee's hearing indicates that a "request to appear must include a summary of testimony, and may be accompanied by a prehearing submission." The Southern Shrimp Alliance submitted written comments in support of the imposition of duties pursuant to 19 U.S.C. § 2411 (Section 301) on all imports of merchandise produced through Chinese aquaculture on May 11, 2018 (USTR-2018-0005-2400) and May 22, 2018 (USTR-2018-0005-3056). Copies of these letters are included here for this record as Attachment A and Attachment B, respectively. Further, as Attachment C, a copy of Senator John Kennedy's April 17, 2018 letter (USTR-2018-0005-0763) requesting that Chinese crawfish and

Request for Comments Concerning Proposed Modification of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 83 Fed. Reg. 33,608, 33,609 (U.S. Trade Representative, July 17, 2018).

shrimp be included as part of the merchandise subject to increased tariffs under Section 301 is included for this record.

Consistent with the facts and arguments presented in these submissions, I intend to testify that the Section 301 Committee should, as it has proposed, impose additional duties on imports of merchandise produced through Chinese aquaculture. Beyond including the roughly \$1 billion in total annual imports of Chinese aquacultured goods, the Southern Shrimp Alliance has no position regarding the appropriate aggregate level of trade to be covered by additional duties. However, the Southern Shrimp Alliance believes that the level of increase in the rate of duty for merchandise produced through Chinese aquaculture should be 25 percent as opposed to the proposed 10 percent.

As we have previously explained, problems with illegal antibiotic use in Chinese aquaculture have been extensively documented by objective third-party sources. In just the last three and half years, the following academic studies regarding the prevalence of antibiotics in various aspects of Chinese aquaculture have been published:

- 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, pp. 8035-8043 (Mar. 2018);
- Zhi Wang, Yun Du, Chao Yang, Xi Liu, Junqian Zhang, Enhua Li, Qing Zhang, Xuelei Wang, "Occurrence and ecological hazard assessment of selected antibiotics in the surface waters in and around Lake Honghu, China," *Science of The Total Environment*, Vol. 609, pp. 1423-1432 (Dec. 2017);
- Chao Song, Cong Zhang, Barry Kamira, Liping Qiu, Limin Fan, Wei Wu, Shunlong Meng, Gengdong Hu, Jiazhang Chen, "Occurrence and human dietary assessment of fluoroquinolones antibiotics in cultured fish around Tai Lake, China," *Environmental Toxicology and Chemistry*, Vol. 36, Issue 11, pp. 2899-2905 (Nov. 2017);
- Hexing Wang, Lingshuang Ren, Xin Yu, Jing Hu, Yue Chen, Gengsheng He, Qingwu Jiang, "Antibiotic residues in meat, milk, and aquatic products in Shanghai and human exposure assessment," *Food Control*, Vol. 80, pp. 217-225 (Oct. 2017);
- Chao Song, Le Li, Cong Zhang, Liping Qiu, Limin Fan, Wei Wu, Shunlong Meng, Gengdong Hu, Jiazhang Chen, Ying Liu, Aimin Mao, "Dietary risk ranking for residual antibiotics in cultured aquatic products around Tai Lake, China," *Ecotoxicology and Environmental Safety*, Vol. 144, pp. 252-257 (Oct. 2017);

- 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, pp. 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, pp. 8978-8989 (Apr. 2017);
- 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);
- Xiuting He, Maocheng Deng, Qi Wang, Yongtao Yang, Yufeng Yang, Xiangping Nie, "Residues and health risk assessment of quinolones and sulfonamides in cultured fish from Pearl River Delta, China," *Aquaculture*, Vol. 458, pp. 38-46 (May 2016); and
- Hui Chen, Shan Liu, Xiang-Rong Xu, Shuang-Shuang Liu, Guang-Jie Zhou, Kai-Feng Sun, Jian-Liang Zhao, Guang-Guo Ying, "Antibiotics in typical marine aquaculture farms surrounding Hailing Island, South China: Occurrence, bioaccumulation and human dietary exposure," *Marine Pollution Bulletin*, Vol. 90, Issues 1-2, pp. 181-187 (Jan. 2015).

The findings of some of these academic studies merit reproducing here. For example, the abstract for the paper "Antibiotic residues in meat, milk, and aquatic products in Shanghai and human exposure assessment" reported that (emphasis added):

In this study, we screened 20 common antibiotic (three tetracyclines, four fluoroquinolones, three macrolides, three  $\beta$ -lactams, four sulfonamides, and three phenicols) residues in 125 samples from common types of livestock and poultry meat, milk and aquatic products in Shanghai by ultra-performance liquid chromatography coupled to high-resolution quadrupole time-of-flight mass spectrometry in 2016 and assessed their role in human exposure by Monte Carlo Simulation. Overall, 15 out of screened antibiotics were found in these samples and the overall detection frequency was 39.2%. Antibiotics were found in 28.6% of livestock and poultry meat (35.3% for pork and 22.2% for chicken), 10.6% of milk, and <u>52.1% of aquatic products</u>... Antibiotic residues in aquatic products and their consumption accounted for 74.71% and 70.35% of overall variance of estimated antibiotic exposure for men and women, respectively. These findings indicated a high level of antibiotic residues in meat, milk and aquatic products and <u>aquatic products were for exposure of human to antibiotics</u>.

The abstract for the paper "Usage, residue, and human health risk of antibiotics in Chinese aquaculture: A review" explains (emphasis added):

> Aquaculture is a booming industry in the world and China is the largest producer and exporter of aquatic products. To prevent and treat diseases occurred in aquaculture, antibiotics are widely applied. However, the information of antibiotics used in Chinese aquaculture is still limited. Based on peer-reviewed papers, documents, reports, and even farmer surveys, this review summarized antibiotics used in Chinese aquaculture. ... A total of 20 antibiotics belonging to eight categories have been reported for use, mainly via oral administration. However, only 13 antibiotics have been authorized for application in Chinese aquaculture and 12 antibiotics used are not authorized. Totally, 234 cases on antibiotic residues in Chinese aquatic products were recorded, including 24 fish species, eight crustacean species, and four mollusk species. Thirty-two antibiotics have been detected in aquatic products; quinolones and sulfonamides were the dominated residual chemicals. For specific compound, ciprofloxacin, norfloxacin, and sulfisoxazole have the highest concentrations.... Through the consumption of aquatic products tainted by antibiotics, humans may acquire adverse drug reactions or antibiotic-resistant bacteria. However, the risk of antimicrobial resistance in human body, when exposed to antibiotics at subinhibitory concentrations, has not been exhaustively considered in the risk assessment. In addition, a national comprehensive investigation on the amount of antibiotics used in Chinese aquaculture is still needed in future studies.

The abstract for the paper "Occurrence and human dietary assessment of fluoroquinolones antibiotics in cultured fish around Tai Lake, China" observed that (emphasis added):

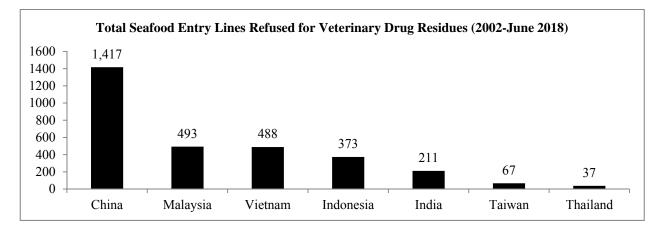
Fluoroquinolone antibiotics are widely used in the production of aquatic products and considered to be a significant contributing factor to the burden of both natural and aquaculture environments. However, the main types of fluoroquinolones present in aquaculture systems have not been determined. The objectives of the present study were to explore the occurrence of residual fluoroquinolone antibiotics in fish muscle tissues sampled from across the entire aquaculture season in the Tai Lake basin in China and to assess the dietary risks associated with the upcoming vendible fish in the last month of the aquaculture season. <u>Fluoroquinolones were</u> <u>detected in 95.69% of all fish samples</u>, and the concentrations ranged from the limit of quantification (LOQ) to 47 108.00  $\mu$ g · kg<sup>-1</sup>...

The abstract for the paper "Antibiotics in typical marine aquaculture farms surrounding Hailing Island, South China: Occurrence, bioaccumulation and human dietary exposure" noted (emphasis added):

The occurrence, bioaccumulation, and human dietary exposure via seafood consumption of 37 antibiotics in six typical marine aquaculture farms surrounding Hailing Island, South China were investigated in this study. <u>Sulfamethoxazole, salinomycin and trimethoprim were widely detected in the water samples (0.4–36.9 ng/L), while oxytetracycline was the predominant antibiotic in the water samples of shrimp larvae pond</u>. <u>Enrofloxacin was widely detected in the feed</u>

> <u>samples (16.6–31.8 ng/g)</u> and erythromycin–H<sub>2</sub>O was the most frequently detected antibiotic in the sediment samples (0.8–4.8 ng/g). Erythromycin–H<sub>2</sub>O was the dominant antibiotic in the adult *Fenneropenaeus penicillatus* with concentrations ranging from 2498 to 15,090 ng/g. In addition, trimethoprim was found to be bioaccumulative in young *Lutjanus russelli* with a median bioaccumulation factor of 6488 L/kg. Based on daily intake estimation, the erythromycin–H<sub>2</sub>O in adult *F. penicillatus* presented a potential risk to human safety

As the findings of these studies imply, antibiotic use remains prevalent in Chinese aquaculture. It should therefore be no surprise that China has, far and away, the worst record of any country regarding the presence of banned antibiotics in their seafood shipments to the United States. 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, the total seafood entry line refusals attributed to Chinese-origin goods dwarfs any other seafood supplier to the U.S. market:



Through the first six months of just this year, the FDA has reported refusing 122 seafood entry lines for reasons related to veterinary drug residues. Of these 122, <u>106</u> are for seafood from China. In other words, <u>86.9 percent</u> of all the seafood entry lines refused for banned antibiotics this year originated in China.

The sheer number of Chinese seafood entry line refusals for banned antibiotics in 2018 is stunning. Between 2012 and 2017, the largest number of Chinese seafood entry lines refused in a single year for reasons related to veterinary drug residues was 110 in 2015. In just the first half of this year, the FDA has already refused 106 entry lines of Chinese seafood for banned antibiotics. The numbers this year are even more astonishing in the context of other major seafood suppliers to the United States. The table above summarizes entry line refusal data from the FDA going back to 2002. In the sixteen and a half years for which data are available, only four other countries have accounted for more than 106 entry line refusals for banned antibiotics over that entire time period – Malaysia (493); Vietnam (488); Indonesia (373); and India (211).

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, the Southern Shrimp Alliance strongly believes that the Administration should apply additional tariffs to all imports of merchandise produced through Chinese aquaculture as part of any additional action taken pursuant to Section 301.

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

Sincerely,

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John Williams Executive Director

# ATTACHMENT A



### Southern Shrimp Alliance P.O. Box 1577 Tarpon Springs, FL 34688 955 E. MLK Dr. Suite D Tarpon Springs, FL 34689 727-934-5090 Fax 727-934-5362

May 11, 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; 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 Ambassador Robert Lighthizer May 11, 2018 Page 2

that are subject to legal or administrative constraints."<sup>1</sup> 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.<sup>2</sup> 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."<sup>3</sup> 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

<sup>&</sup>lt;sup>1</sup> <u>See China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property,</u> 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).

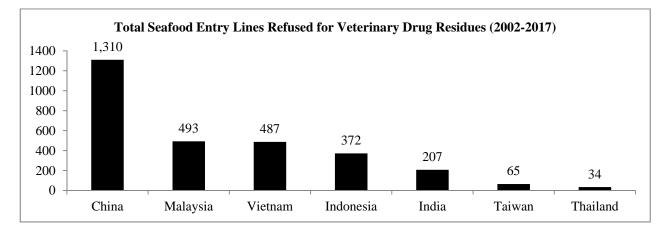
<sup>&</sup>lt;sup>2</sup> <u>See</u> Issues and Decision Memorandum accompanying <u>Certain Frozen Warmwater Shrimp from the</u> <u>People's Republic of China</u>, 78 Fed. Reg. 50,391 (Dept. Commerce Aug. 19, 2013) (Final Affirmative Countervailing Duty Determination).

<sup>&</sup>lt;sup>3</sup> <u>See</u> Louisiana Crawfish Promotion and Research Board, "Ask Before You Eat," http://www.crawfish.org/ask.html (last visited May 10, 2018).

#### Ambassador Robert Lighthizer May 11, 2018 Page 3

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

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 transhipment of Chinese-origin shrimp through Malaysia to evade antidumping duties and FDA regulatory oversight.<sup>5</sup>

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.

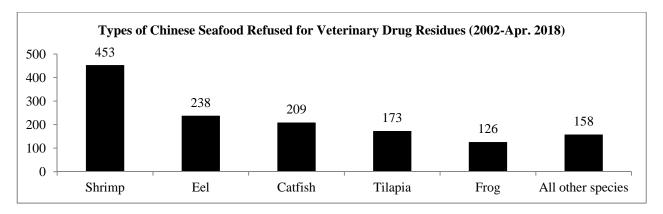
The issues with Chinese seafood encompass a wide variety of different aquacultured products, a further indication of a widespread problem over which the country has exercised little control. The chart below breaks down the individual entry lines of Chinese seafood refused by the

<sup>&</sup>lt;sup>4</sup> <u>See</u> 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). <u>See also</u> 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).

<sup>&</sup>lt;sup>5</sup> <u>See, e.g.</u>, 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-endsup-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.

Ambassador Robert Lighthizer May 11, 2018 Page 4

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,

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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,	\$29,157,640	\$50,786,195	\$97,841,537
	IMPORTED IN ACCORDANCE WITH STATISTICAL			
	NOTE 1 TO THIS CHAPTER, OTHER THAN COLD-			
	WATER			
1605211030	SHRIMPS AND PRAWNS, PREPARED NESOI, FROZEN	\$7,542,702	\$20,427,321	\$56,968,289
1605401010	CRUSTACEANS, PEELED FRESHWATER CRAWFISH	\$57,210,441	\$60,018,128	\$52,802,858
	TAIL MEAT, PREPARED OR PRESERVED, NESOI			
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	\$39,445,044	\$38,053,654	\$31,464,755
	FILLETS, LIVERS AND ROES			
1605401090	CRUSTACEANS, OTHER THAN PEELED	\$5,248,811	\$13,836,438	\$12,257,837
	FRESHWATER CRAWFISH TAIL MEAT, PREPARED			
	OR PRESERVED, NESOI			
0303890040	TILAPIA, OTHER THAN OREOCHROMIS SPP.,	\$12,350,392	\$10,912,137	\$8,879,462
	FROZEN, EXCEPT FILLETS, LIVERS AND ROES			
0306190010	CRAWFISH, FRESHWATER, FROZEN; FLOURS,	\$1,882,500	\$7,401,200	\$7,959,687
	MEALS AND PELLETS FIT FOR HUMAN			
	CONSUMPTION			
1604178000	EELS, WHOLE OR IN PIECES, BUT NOT MINCED,	\$9,146,800	\$5,101,373	\$7,323,538
	PREPARED OR PRESERVED, NESOI			
0304690000	CARP, EELS AND SNAKEHEAD FILLETS, FROZEN	\$6,770,831	\$5,509,047	\$6,225,808
0304310000	TILAPIA (OREOCHROMIS) FILLETS, FRESH OR	\$195,632	\$4,848,605	\$2,655,133
	CHILLED			
0306360040	SHRIMPS AND PRAWNS, FRESH OR CHILLED,	\$0	\$0	\$2,449,173
	PEELED, OTHER THAN COLD-WATER			
0305310100	TILAPIA, CATFISH, CARP, EEL, NILE PERCH AND	\$0	\$0	\$2,371,809
	SNAKEHEAD FILLETS, DRIED, SALTED OR IN			
	BRINE, BUT NOT SMOKED			

0304320090	CATFISH (SILURUS OR CLARIAS), FILLETS, FRESH	\$757,981	\$2,217,005	\$1,969,814
	OR CHILLED			
1605211050	SHRIMPS AND PRAWNS, PREPARED OR	\$786,510	\$1,540,542	\$1,772,486
	PRESERVED, NOT IN AIRTIGHT CONTAINERS,			
	NESOI			
0306170015	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$83,414	\$2,377,430	\$1,629,375
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) 67-88 PER KG (31-40S),			
	STAT NOTE 1, NESOI			
0306170006	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$0	\$167,454	\$1,474,809
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) 33-45 PER KG (15-20S),			
	STAT NOTE 1, NESOI			
)306170009	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$5,316	\$313,771	\$1,429,003
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) 46-55 PER KG (21-25S),			
	STAT NOTE 1, NESOI			
)306950040	SHRIMPS AND PRAWNS, PEELED, NESOI	\$0	\$0	\$964,065
)306350020	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$0	\$0	\$792,579
	SPP., CRANGON CRANGON), LIVE, FRESH OR			
	CHILLED, SHELL-ON			
0306350040	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$0	\$0	\$750,100
	SPP., CRANGON CRANGON), FRESH OR CHILLED,			
	PEELED			
0303260000	EELS (ANGUILLA SPP.), FROZEN, EXCEPT FILLETS,	\$623,950	\$325,654	\$665,399
	LIVERS AND ROES			
)306170003	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$6,126	\$23,900	\$503,815
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) LESS THAN 33 PER KG			
	(15S), STAT NOTE 1, NESOI			
0306360020	SHRIMPS AND PRAWNS, LIVE, FRESH OR CHILLED,	\$0	\$0	\$466,808
	SHELL-ON, OTHER THAN COLD-WATER			

0304390000	CARP, EELS AND SNAKEHAD FILLETS, FRESH OR	\$259,322	\$318,225	\$456,853
	CHILLED			
0306170024	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$144,288	\$452,772	\$447,929
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) 133-154 PER KG (61-70S),			
	STAT NOTE 1, NESOI			
0304931090	TILAPIA, CATFISH, CARP, EELS, NILE PERCH &	\$460,188	\$227,260	\$389,792
	SKHD MEAT, FROZEN, IN BULK OR IN IMMEDIATE			
	CONTAINERS WEIGHING WITH THEIR CONTENTS			
	OVER 6.8 KG EACH, NESOI			
0306950020	SHRIMPS AND PRAWNS, SHELL-ON, NESOI	\$0	\$0	\$384,527
1604176000	EELS, WHOLE OR IN PIECES, NOT MINCED, IN OIL	\$220,750	\$747,300	\$331,564
	AND IN BULK OR IN IMMEDIATE CONTAINERS			
	WEIGHING WITH THEIR CONTENTS OVER 7 KG			
	EACH			
0306170012	SHRIMPS AND PRAWNS (PANDALUS SPP.,	\$0	\$159,772	\$329,563
	CRANGON CRANGON), FROZEN, SHELL-ON, COUNT			
	SIZE (HEADLESS WEIGHT) 56-66 PER KG (26-30S),			
	STAT NOTE 1, NESOI	<b>.</b>	<b>. . . . . . . . . .</b>	
0304620030	SILURIFORMES FILLETS, FROZEN, NESOI	\$0	\$43,980	\$298,362
1605291010	SHRIMPS AND PRAWNS, FROZEN, IN AIRTIGHT	\$130,275	\$21,942	\$295,088
1	CONTAINERS	<b>\$00.015</b>	<b>\$210,520</b>	<b>. . . . . . . . . .</b>
1605210500	SHRIMP AND PRAWN PRODUCTS CONTAINING	\$89,317	\$210,539	\$248,362
0005641000	FISH MEAT/PREPARED MEALS, NESOI	<b>#202</b> (51	<b>\$75.004</b>	<b>#247.2</b> 00
0305641000	TILAPIA, CATFISH, CARP, EELS, NILE PERCH AND	\$293,651	\$75,884	\$247,288
	SNAKEHEAD FLOURS, ETC, CONTS WEIGH W/THEIR			
	CONTNTS 6.8 KG OR LESS EACH, SALT BUT NOT			
0206160040	DRIED/SMOKED; IN BRINE	¢100.c20	\$260,510	¢212.200
0306160040	COLD-WATER SHRIMPS AND PRAWNS, FROZEN,	\$128,638	\$369,510	\$213,208
	PEELED, IMPORTED IN ACCORDANCE WITH			
1605201040	STATISTICAL NOTE 1 TO THIS CHAPTER	¢127.206	¢172.072	\$160.402
1605291040	SHRIMPS AND PRAWNS, PREPARED OR	\$137,306	\$172,073	\$160,493
	PRESERVED, IN AIRTIGHT CONTAINERS, NESOI			

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

0303240050	CATFISH (SILURUS SPP. OR CLARIAS SPP.),	\$225,326	\$0	\$4,506
	FROZEN, EXCEPT FILLETS, LIVERS AND ROES,			
	NESOI			
0303250000	CARP, FROZEN, EXCEPT FILLETS, LIVERS AND	\$16,896	\$0	\$0
	ROES			
1605290500	SHRIMP AND PRAWN PRODUCTS CONTAINING	\$0	\$0	\$0
	FISH MEAT/PREPARED MEALS, IN AIRTIGHT			
	CONTAINERS			
0305645000	TILAPIA, CARFISH, CARP, EELS, NILE PERCH,	\$102,580	\$32,292	\$0
	SNAKEHEAD , SALTED BUT NOT DRIED OR			
	SMOKED; IN BRINE, OTHER THAN EDIBLE FISH			
	OFFAL, NESOI			
0304939000	TILAPIA, CATFISH, CARP, EELS, NILE PERCH AND	\$0	\$0	\$0
	SNAKEHEAD FISH MEAT, FROZEN, NESOI			
0304931005	TILAPIA, CATFISH, CARP, EELS, NILE PERCH,	\$0	\$0	\$0
	SNAKEHEAD SURIMI, MINCED, FROZEN, IN BULK			
	OR IN IMMEDIATE CONTAINERS WITH THEIR			
	CONTENTS OVER 6.8 KG EACH			
0306160009	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$0	\$309,950	\$0
	SPP., CRANGON CRANGON), FROZEN, SHELL-ON,			
	COUNT SIZE (HEADLESS WEIGHT) 46-55 PER KG (21-			
	25S), STAT NOTE 1			
0306160018	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$0	\$258,350	\$0
	SPP., CRANGON CRANGON), FROZEN, SHELL-ON,			
	COUNT SIZE (HEADLESS WEIGHT) 89-110 PER KG			
020(2(0020	(41-50S), STAT NOTE 1	ф <u>о</u>	φ <u>ο</u>	
0306260020	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$0	\$0	\$0
	SPP., CRANGON CRANGON), SHELL-ON, NOT			
0206260040	FROZEN	\$64.202	¢202.095	¢0
0306260040	COLD-WATER SHRIMPS AND PRAWNS (PANDALUS	\$64,393	\$203,085	\$0
0206270020	SPP., CRANGON CRANGON), PEELED, NOT FROZEN	\$2,912,249	¢1 011 510	0.0
0306270020	SHRIMPS AND PRAWNS, SHELL-ON, NOT FROZEN,	\$2,812,248	\$1,911,518	\$0
	OTHER THAN COLD-WATER			

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

# ATTACHMENT B



### Southern Shrimp Alliance P.O. Box 1577 Tarpon Springs, FL 34688 955 E. MLK Dr. Suite D Tarpon Springs, FL 34689 727-934-5090 Fax 727-934-5362

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,

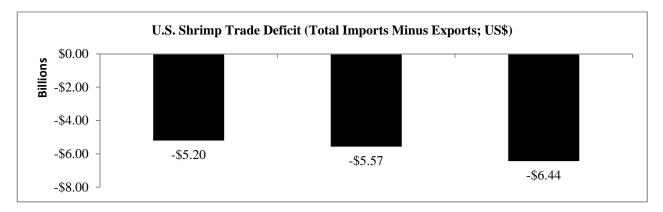
On behalf of the membership of the Southern Shrimp Alliance, I write in furtherance of our May 11<sup>th</sup> letter of support (USTR-2018-0005-2400) for Senator John Kennedy's request, by an April 17<sup>th</sup> letter (USTR-2018-0005-0763), that Chinese crawfish and shrimp be included as part of 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

<sup>&</sup>lt;sup>1</sup> <u>See China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property,</u> 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.

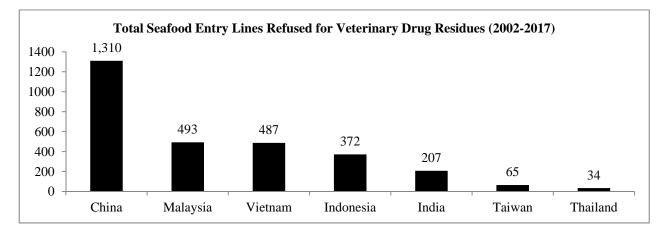
But the grant of access to restricted markets is no justification for keeping this market open to contaminated seafood. This is particularly true in light of the fact that problems with illegal antibiotic use in Chinese aquaculture are well-known and documented.<sup>2</sup> As it stands, the United States 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>&</sup>lt;sup>2</sup> <u>See, e.g.</u>, 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).

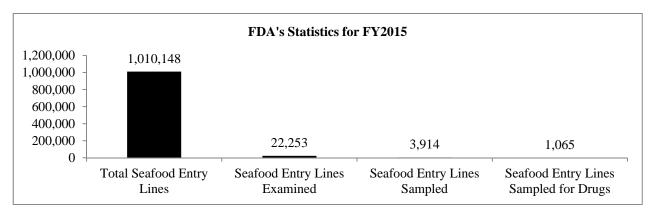
<sup>3</sup> NMFS looked at sixteen Asian countries: Bangladesh, Cambodia, China, India, Indonesia, Japan, Laos, Malaysia, Maldives Island, Pakistan, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, and Vietnam (p. xvii).

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).



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,

With le Mino

John Williams Executive Director

cc: Senator John Kennedy, Member, Committee on Appropriations

# ATTACHMENT C



RUSSELL BUILDING WASHINGTON, DC 20510 (202) 224–4623

### United States Senate

COMMITTEES APPROPRIATIONS

BANKING, HOUSING, AND URBAN AFFAIRS

BUDGET

SMALL BUSINESS AND ENTREPRENEURSHIP

April 17, 2018

President Donald J. Trump The White House Washington, D.C. 20500

Dear Mr. President:

I write today regarding your efforts to impose tariffs on certain products made in China. I respectfully request that Chinese crawfish and shrimp be considered for addition to the product list if you decide to impose tariffs. Including crawfish and shrimp would provide a much needed economic boost to the Louisiana seafood industry, which supplies the finest seafood in the world. For years, Chinese companies have dumped inferior, sometimes fraudulent, seafood products into the American marketplace, and Louisiana industries have suffered as a result.

The commercial seafood industry has a \$2.4 billion annual impact on Louisiana's economy but access to the Chinese market has been restricted by policies that discourage foreign competition. If your administration must evaluate additional products subject to subsequent tariffs, I respectfully ask that you give full consideration to the inclusion of Chinese crawfish and shrimp. Louisianans take great pride in their seafood, and this measure would reward hardworking Louisiana shrimpers, crawfish farmers, and consumers.

Again, I am grateful for your consideration. I would welcome the opportunity to share Louisiana's great seafood with you and discuss this proposal's benefits to my state. Thank you for your service to America.

Respectfully.

John Kennedy United States Senator

cc: The Honorable Sonny Perdue The Honorable Robert Lighthizer Director Larry Kudlow