

Testimony of Lieutenant Governor Jay Dardenne of Louisiana on Frozen Warmwater Shrimp  
from China, Ecuador, India, Indonesia, Malaysia, Thailand and Vietnam  
International Trade Commission Public Hearing  
August 13, 2013  
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Chairman Williamson and Commissioners:

Thank you for giving me the opportunity to testify before this respected Commission. I am proud to be here to represent the thousands of Louisianians who work so hard to make our shrimp industry second to none. I appear before you today to demonstrate my commitment to this industry, and to do my part to articulate the need to address subsidized shrimp imports from foreign countries. Accordingly, I strongly support the imposition of countervailing duties on frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam to offset the anti-competitive behavior of these countries.

The focus of my remarks and your hearing today is the impact of an uneven playing field on the shrimp processing industry which is but one part of a chain that binds fishermen, dock workers, ports, processors, transporters, restaurateurs and customers. I assure you that I will sit before your Commission and other tribunals and committees as often as necessary to help champion the cause of thousands of Louisianians who rely upon the bountiful waters of the Gulf of Mexico and the estuaries of the great Mississippi River to supply America and, indeed, the world with the God-given aquatic wealth which our waters offer.

Growing up in Louisiana, one comes to appreciate the positive cultural and economic impact of the shrimp industry, which always has been a top priority for me while serving in elected office. I have been Lieutenant Governor of Louisiana since 2010. Before that, I served as Secretary of State for four years. Earlier, I also was an elected State Senator for 15 years. Throughout my career I have been fighting for the long term health of this vital industry.

I am pleased to note that as of July 1, the Louisiana Seafood Promotion and Marketing Board has been added to my office portfolio. In 1984, the State of Louisiana created the Louisiana Seafood Promotion & Marketing Board to support Louisiana's world-class commercial fisheries and to respond to changes in the marketplace and environment. Today it remains the premier seafood marketing board in the country, reminding America that Louisiana is our country's top producer, not only of premium shrimp, but also of crabs, oysters, crawfish and, yes, alligators, as is well known for any fan of reality television. Not only is shrimping an industry, it is a way of life for a diverse group of people who form what I like to call the "human gumbo" of Louisiana. People of different ethnicities arrived in America via the port of New Orleans and, for generations, have remained in Louisiana and relied upon the teeming waters of the Gulf of Mexico and the Louisiana coast to make a living and to sustain a lifestyle.

Gulf shrimp from Louisiana are a substantial source of jobs, income, and tax revenues, with an annual economic impact of \$1.3 billion dollars, supporting more than 14,000 jobs. First and foremost, the shrimp industry creates jobs and economic growth across Louisiana and the Gulf region. In addition, Louisiana's Gulf shrimp, caught in our state's waters, generated \$91 million dollars in state tax revenue and \$83 million dollars in federal tax revenue.

Shrimp is about much more than economics. The men and women who catch and process our prized Gulf shrimp would call shrimping a way of life. Many of the shrimp-related businesses in Louisiana are family-owned and operated with relatives working together generation upon generation. Allowing foreign countries to continue to engage in unfair trade practices will force Louisiana folks to relinquish their heritage.

Although fighting for a level playing field for the U.S. shrimp industry and its workers is the right thing to do for Louisiana and for the country, it has not been an easy fight over the past

decade. In addition to the woes felt by the entire nation following the Great Recession, the U.S. shrimp industry in Louisiana and across the Gulf has been hit particularly hard. During the past decade, Louisianians have felt the ravages of five major hurricanes and a devastating oil spill. Louisianians are known for our joie de vivre, our love of life, and now for our steadfast resiliency. Our fishermen are ready to get off the life boats and back on the shrimp boats, once and for all. However, the major obstacle that now threatens our shrimp industry's long term viability is the influx of massively subsidized shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam.

Together, China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam exported over 883 million pounds of shrimp to the United States worth almost \$3.6 billion dollars. Shrimp imports from these seven countries account for 89% of all U.S. shrimp imports and more than three-quarters of the domestic market, overall. Since 2009, producers in these seven countries have gained U.S. market share by aggressively undercutting domestic prices. This underselling has restrained the prices that U.S. producers are able to secure for their product, which in turn has made it increasingly difficult to even be able to cover the costs of production.

Shrimp producers in China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam are also benefiting from an endless variety of subsidies. Some of these subsidies come in the form of large tax breaks. For example, the Government of Thailand cuts taxes for their shrimp producers that commit to exporting their product. The Indian government provides subsidies to shrimp processors to reduce their ocean freight costs, with a bonus subsidy awarded to exports heading specifically to the United States. And the Chinese government gives subsidized loans to aid its shrimp producers. The list of subsidies goes on, including government grants and debt forgiveness, all adding up to about \$13.5 billion dollars.

Despite tough times in the past and the looming threats ahead, I believe in the shrimp industry's business owners, entrepreneurs, and workers, and in their ability to produce the highest quality shrimp in the world. I am grateful for the role this respected Commission has played in enforcing U.S. trade remedy laws to protect our companies and workers against egregious trade practices.

Today, I urge you to put an end to the ongoing damage to the U.S. shrimp industry that is caused by illegal trade practices by imposing countervailing duties on warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam. American shrimp processors should not have to compete with the deep pockets of foreign governments to stay in business and survive. I thank you for your careful consideration of this case, as well as the opportunity to testify before you today.