

**CERTAIN FROZEN WARMWATER SHRIMP FROM CHINA, ECUADOR, INDIA,  
INDONESIA, MALAYSIA, THAILAND, AND VIETNAM  
INVESTIGATION NOS. 701-TA-491-497 (FINAL)**

**PUBLIC HEARING BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**AUGUST 13, 2013**

**STATEMENT OF LANCE AUTHEMENT  
OWNER  
HI SEAS OF DULAC, INC.**

Good morning. My name is Lance Authement, and I own Hi Seas of Dulac, a shrimp processor in Dulac, Louisiana, and a member of the Coalition of Gulf Shrimp Industries.

We were happy to host Commissioner Broadbent and staff at our facility last week, and to have staff visit us a couple years ago during the sunset review. Those of you who have been to Dulac know it is the heart of shrimp country. The bayou is lined up with shrimp processing plants, and the waters are home to shrimp trawlers big and small. People in Dulac have been catching and processing shrimp for generations, and we hope to do so for many more.

I myself am the fourth generation of my family in the shrimp industry. My dad started Hi Seas in 1980, and I have owned it for eight years. Even

though my dad is retired, he still comes to the plant many days. My mom works in the front office, and my brother helps me run the plant. We produce block frozen shrimp, both headless and peeled, and we sell through distributors to customers all over the country.

We monitor import prices on a daily basis. Imports are such a huge part of the market that we simply cannot survive if we cannot stay competitive with import prices. We keep track of import prices through market news services. Importers also fax price lists to us, and we hear about import prices from our customers and brokers.

We put out our price list every Monday, and then we spend the week on the phone with our customers negotiating to try to get orders filled by Friday. We know our customers are price shopping across the board, comparing our offers to those they get from everyone else, including, most importantly, importers. Seventy-five out of every one hundred pounds in the market are from the seven countries we're discussing today. The product they sell and the product we sell are the same. It all comes down to price. And when import prices and our prices are different, believe me, we hear about it.

Just one example is a broker we work with that was looking to fill an order for 70/90 peeled shrimp. We quoted a price of \$3 a pound. He said he

could get the same product from Malaysia for \$2.80 to \$2.85 a pound, and he told us we had to bring our price down if we wanted to get the sale.

Last year, we were forced to carry a lot of inventory at the end of the year because we simply could not sell at the prices the market would take while also meeting our costs of production. Our margins have gotten thinner and thinner as imports have kept squeezing our prices while our costs have kept going up.

This year, things are different. Since we filed these petitions, and while some countries have been working through their temporary disease issues, we have finally been able to get prices that give the boats a good reason to keep fishing and allow us to move the volume we need to stay afloat. But we know these days are not guaranteed to last. Those imports will be back next year. And if we don't have duties in place to offset foreign subsidies, we will be right back in the hole that we have just started to climb out of.

Our company simply cannot afford to let this happen. While the market has been better for a couple months, we have started to make down payments on new machinery for our facility. We need to upgrade to survive, and these are investments that have been put off for far too long. We recently made a down payment on a new bagging machine, and we will also

be looking to invest in a new automatic scale, sorters, a new boxing machine, and new picking machinery. These are significant investments that will allow us to further automate our production and ensure we continue to meet the highest industry standards for quality and consistency.

But these investments also carry significant risk. If duties are not put in place, the competition will become just as fierce as it was before. Imports will start hammering down our prices and eating into our market share once again. Our margins will shrink, and the prices we are able to pay to the boats will suffer. With stubbornly high fuel costs, this will make it more and more difficult for fishermen to justify their efforts. And I could have a lot of new machinery, and a lot of bills to pay for that equipment, with not enough shrimp to run and not enough sales revenue to justify my investments. Without duties, imports pose a huge threat to our business.

We cannot control how quickly the Thais and other producers are going to ramp up their production and flood back into our market. We cannot control how much foreign governments are going to support their shrimp producers with low-cost loans, tax breaks, grants, and cheap land. We cannot control the price of fuel, the single highest cost for our fishermen. What we can do is fight for fair conditions in our market, and that requires countervailing duties to level the playing field.

That is why we filed these petitions, and that is why I am here today to respectfully ask for your help in combating these unfair imports. Relief from these imports will give our industry in Dulac, and the shrimp industry across the Gulf, a chance to compete and to invest in our future.

Thank you.