

*Administration of Donald J. Trump, 2020*

## **Memorandum on Protecting the United States Lobster Industry**

*June 24, 2020*

*Memorandum for the Secretary of Agriculture, the Secretary of Commerce, and the United States Trade Representative*

*Subject:* Protecting the United States Lobster Industry

By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows:

*Section 1. Policy.* On May 22, 2018, the United States Trade Representative (Trade Representative) concluded an investigation under section 301 of the Trade Act of 1974, as amended (19 U.S.C. 2411), finding that China had engaged in multiple unreasonable and discriminatory trade practices that had harmed American intellectual property rights, innovation, and technology development. In response to China's unfair and unreasonable conduct, the United States imposed tariffs on several categories of Chinese products.

Rather than reform its practices, China responded to the Trade Representative's findings with unjust retaliatory tariffs designed strategically to inflict financial harm on America's farmers, fishermen, and workers in other industries.

My Administration has forcefully addressed China's unfair assault on American producers. Among other measures, I directed the Secretary of Agriculture to deliver a comprehensive trade aid package to American farmers. He did so, providing more than 14 billion dollars in direct payments to American farmers under the authority of the Commodity Credit Corporation (CCC) Charter Act.

China's retaliatory assault on the American lobster industry was particularly aggressive. On July 6, 2018, China imposed retaliatory 25 percent tariffs on American lobster. On September 1, 2019, China raised those retaliatory tariffs to 35 percent. On February 14, 2020, China reduced its punitive lobster tariffs to 30 percent. When those retaliatory tariffs are added to China's prevailing Most Favored Nation tariffs of 5 percent and 7 percent, depending on the species of lobster, American lobsters currently face tariffs of either 35 percent or 37 percent.

On January 15, 2020, I signed the landmark Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China ("Phase One Agreement"). The Phase One Agreement requires important structural reforms from China related to issues such as intellectual property theft, forced technology transfer, and exchange rate manipulation. As part of the Phase One Agreement, China made binding commitments to purchase large quantities of United States manufactured goods, agricultural products, and services. Seafood, including lobsters, is one of the agricultural products China agreed to purchase. To help fulfill this purchase commitment, China has made available exclusions from its retaliatory tariffs for imports of United States lobster.

At this time, it remains unclear to what extent China's exclusions from its retaliatory tariffs will result in increased exports of United States lobster. Such exports are particularly important because exports to the European Union, another large market for United States lobster, appear to have been significantly and negatively affected by the recent implementation of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union.

The lobster industry is a crown jewel of America's seafood industry. From 2015 to 2018, American lobster was the most valuable single seafood species harvested in the United States, with Maine accounting for approximately 80 percent of that value each year. It is, therefore, the policy of my Administration to mitigate the effects of unfair retaliatory trade practices on this important industry.

*Sec. 2. Protecting the United States Lobster Industry.* (a) The Secretary of Agriculture shall, within 60 days of the date of this memorandum, consider taking appropriate action, to the extent permitted by applicable law, to provide assistance to fishermen and producers in the United States lobster industry that continue to be harmed by China's retaliatory tariffs.

(b) The Secretary of Agriculture shall also consider including, to the extent permitted by applicable law, the United States lobster industry and other segments of the United States seafood industry in any future assistance provided to mitigate the effects of China's retaliatory trade practices.

*Sec. 3. Reciprocal Tariffs.* (a) The Trade Representative shall, beginning August 15, 2020, submit a monthly report to the President detailing:

(i) China's progress in meeting its purchase commitments under the Phase One Agreement with respect to United States seafood; and

(ii) the value of monthly Maine and other United States lobster exports to China, beginning with China's imports for June 2020.

(b) In the event that the Trade Representative determines that China is not meeting its purchase commitments under the Phase One Agreement with respect to seafood, the Trade Representative shall consider, to the extent permitted by law, taking all appropriate action to impose reciprocal retaliatory tariffs on seafood exports from China.

*Sec. 4. Addressing Negative Effects of the CETA between Canada and the European Union on the United States Lobster Industry.* Pursuant to section 1332(g) of title 19, United States Code, and section 5–301 of Executive Order 12661 of December 27, 1988 (Implementing the Omnibus Trade and Competitiveness Act of 1988 and Related International Trade Matters), the Trade Representative shall request that the United States International Trade Commission (USITC) provide a report that details any negative effects of the CETA on the United States lobster industry. The Trade Representative shall submit such report to the President. The Trade Representative, in consultation with the Secretary of Agriculture and Secretary of Commerce, shall recommend appropriate actions that may be taken to minimize or eliminate any negative effects identified in the USITC report.

*Sec. 5. General Provisions.* (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This memorandum is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

NOTE: An original was not available for verification of the content of this memorandum.

*Categories:* Communications to Federal Agencies : U.S. lobster industry, protection efforts.

*Subjects:* Agriculture : Domestic production, strengthening efforts; Agriculture : Farm subsidies; Agriculture, Department of : Secretary; Business and industry : Seafood and fishing industry, promotion efforts; China : Trade agreement with U.S.; China : Trade with U.S.; China : U.S. tariff structure, strengthening efforts; Trade Representative, Office of the U.S.

*DCPD Number:* DCPD202000477.