

108TH CONGRESS
1ST SESSION

H. R. 2406

To support the domestic shrimping industry by eliminating taxpayer subsidies for certain competitors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2003

Mr. PAUL introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Resources and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To support the domestic shrimping industry by eliminating taxpayer subsidies for certain competitors, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Shrimp Importation
5 Financing Fairness Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The United States domestic shrimping in-
2 dustry is a vital social and economic force for many
3 coastal communities across the United States, af-
4 fecting not simply those who own and operate
5 shrimp boats but entire community economies in-
6 cluding food processors, hoteliers and restaurateurs,
7 grocery markets, and all those who work in and
8 service these industries and others.

9 (2) In addition to the economic importance of
10 the domestic shrimping industry, the industry serves
11 as a key source of safe domestic foods at a time
12 when the nation is engaged in hostilities abroad.

13 (3) Many nations have blocked the importation
14 of shrimp from certain foreign countries because of
15 their contamination with various substances, but the
16 United States Government has yet to take any such
17 action.

18 (4) Existing international trade agreements are
19 ostensibly designed to decrease not just government
20 regulation of trade but also government trade sub-
21 sidies.

22 (5) The domestic shrimping industry has been
23 highly regulated by the Federal Government through
24 Federal requirements of usage of items, such as by-
25 catch reduction devices and turtle excluder devices

1 (in this Act referred to as “TEDs”), which result in
2 a significant loss of product per trawl, hence dam-
3 aging the competitive position and market share of
4 the domestic shrimping fishery.

5 (6) Seven non-NAFTA foreign countries (Thai-
6 land, Vietnam, India, China, Ecuador, Indonesia,
7 and Brazil) have taken advantage of this Govern-
8 ment-imposed reduction in competitiveness, by each
9 exporting in excess of 20,000,000 pounds of shrimp
10 to the United States in the first 6 months of 2002.

11 (7) These foreign countries account for nearly
12 70 percent of all shrimp consumed in the United
13 States in the first 6 months of 2002 and nearly 80
14 percent of all shrimp imported to this country in the
15 same period.

16 (8) Since 1999 our Government has provided
17 more than \$1,800,000,000 in financing and insur-
18 ance for these foreign countries through the Over-
19 seas Private Investment Corporation, and our Gov-
20 ernment’s current exposure relative to these coun-
21 tries through our Export-Import Bank totals some
22 \$14,800,000,000, bringing the total subsidy of these
23 countries by the United States to over
24 \$16,500,000,000.

1 (9) Many of these countries are not market-ori-
2 ented, and hence their participation in United
3 States-supported international finance regimes
4 amounts to a direct subsidy by American taxpayers
5 in the shrimping sector of their international com-
6 petitors.

7 (10) In any case, any national economy that
8 benefits directly from participation in these finance
9 regimes indirectly grants benefits to our foreign
10 shrimping competitors simply because of the
11 fungibility of funds.

12 (11) The level of imports of shrimp by the
13 United States from these countries has compounded
14 the anticompetitive effects of our current Federal
15 regulatory regime in this sector, leading to a depres-
16 sion of the price of shrimp.

17 (12) There is a crisis developing in the domestic
18 shrimping industry, as evidenced by the fact that the
19 National Marine Fisheries Service, the lead Federal
20 agency in regulating the domestic shrimping fishery,
21 held briefings with staff of the House of Representa-
22 tives and the Senate, and with industry representa-
23 tives, to discuss this crisis and seek solutions there-
24 to.

1 (13) Despite this meeting, the National Marine
2 Fisheries Service has not announced that it will fore-
3 go future regulatory encumbrances upon the domes-
4 tic shrimping industry such as previously proposed
5 TEDs modifications that would further harm com-
6 petitiveness of the domestic shrimping fishery.

7 **SEC. 3. MORATORIUM ON RESTRICTIVE REGULATIONS ON**
8 **DOMESTIC SHRIMPING INDUSTRY.**

9 The Secretary of Commerce shall not impose any new
10 restrictive regulations on the domestic shrimping industry,
11 including the proposed regulations modifying require-
12 ments relating to turtle excluder devices published on Oc-
13 tober 2, 2001, except as authorized by a law enacted after
14 the date of enactment of this Act.

15 **SEC. 4. BAN ON OPIC FINANCING AND INSURANCE TO**
16 **COUNTRIES EXPORTING EXCESSIVE**
17 **AMOUNTS OF SHRIMP.**

18 The Overseas Private Investment Corporation may
19 not issue any contract of insurance or reinsurance or any
20 guaranty, or enter into any agreement to provide financ-
21 ing, in connection with a project undertaken or to be un-
22 dertaken in a country which exported more than
23 20,000,000 pounds of shrimp to the United States in the
24 first 6 months of calendar year 2002, until 3 months after
25 the foreign country has reduced its shrimp exports to the

1 United States to less than 3,000,000 pounds per month
 2 for a period of 3 consecutive months.

3 **SEC. 5. UNITED STATES OPPOSITION TO IMF ASSISTANCE**
 4 **TO COUNTRIES EXPORTING EXCESSIVE**
 5 **AMOUNTS OF SHRIMP TO THE UNITED**
 6 **STATES IN THE FIRST 6 MONTHS OF 2002.**

7 The Bretton Woods Agreements Act (12 U.S.C.
 8 635(b)) is amended by adding at the end the following:

9 **“SEC. 64. OPPOSITION TO IMF ASSISTANCE TO COUNTRIES**
 10 **EXPORTING EXCESSIVE AMOUNTS OF**
 11 **SHRIMP TO THE UNITED STATES IN THE**
 12 **FIRST 6 MONTHS OF 2002.**

13 “(a) IN GENERAL.—The Secretary of the Treasury
 14 shall instruct the United States Executive Director at the
 15 Fund to use the voice, vote, and influence of the United
 16 States to oppose the provision by the Fund of assistance
 17 in any form to any foreign country which exported to the
 18 United States more than 20,000,000 pounds of shrimp in
 19 the first 6 months of calendar year 2002, until 3 months
 20 after the foreign country has reduced its shrimp exports
 21 to the United States to less than 3,000,000 pounds per
 22 month for a period of 3 consecutive months.

23 “(b) REDUCTION OF UNITED STATES CONTRIBU-
 24 TIONS.—

1 “(1) IN GENERAL.—If, during the first 3-month
2 period referred to in subsection (a), the Fund pro-
3 vides assistance in any form to a foreign country re-
4 ferred to in subsection (a), the Secretary of the
5 Treasury shall reduce the amount otherwise author-
6 ized to be contributed by the United States to the
7 Fund in the first fiscal year that begins after the
8 provision of the assistance by a percentage equal
9 to—

10 “(A) the amount contributed by the United
11 States to the Fund in the fiscal year in which
12 the assistance is so provided, divided by the
13 total of the amounts contributed to the Fund
14 by all member countries in the fiscal year in
15 which the assistance is so provided; multiplied
16 by

17 “(B) the total amount of assistance pro-
18 vided by the Fund to the foreign country in the
19 fiscal year referred to in subparagraph (A), di-
20 vided by the total amount of assistance pro-
21 vided by the Fund to all countries in the fiscal
22 year referred to in subparagraph (A).

23 “(2) CONTINUATION OF REDUCTIONS IF NEC-
24 CESSARY TO RECOVER FULL AMOUNT OF OPPOSED
25 ASSISTANCE.—The Secretary shall continue to re-

1 duce the amount otherwise authorized to be contrib-
2 uted by the United States to the Fund for suc-
3 ceeding fiscal years until the total amount of the re-
4 ductions under paragraph (1) with respect to the
5 foreign country equals the amount of the assistance
6 referred to in paragraph (1) with respect to the for-
7 eign country.

8 “(c) NOTICE TO THE CONGRESS OF AMOUNT OF IM-
9 PENDING REDUCTION.—Within 60 legislative days after
10 the Fund, during the first 3-month period referred to in
11 subsection (a), provides assistance in any form to a foreign
12 country referred to in subsection (a), the Secretary of the
13 Treasury shall—

14 “(1) determine the amount by which the United
15 States contribution to the Fund is required to be re-
16 duced under subsection (b); and

17 “(2) notify the Committee on Financial Services
18 of the House of Representatives and the Committee
19 on Foreign Relations of the Senate of the amount of
20 the required reduction.”.

1 **SEC. 6. BAN ON EXPORT-IMPORT BANK ASSISTANCE TO**
2 **COUNTRIES EXPORTING EXCESSIVE**
3 **AMOUNTS OF SHRIMP TO THE UNITED**
4 **STATES IN THE FIRST 6 MONTHS OF 2002.**

5 Section 2(b) of the Export-Import Bank Act of 1945
6 (12 U.S.C. 635(b)) is amended by adding at the end the
7 following:

8 “(13) The Bank may not guarantee, insure, or
9 extend (or participate in the extension of) credit in
10 connection with the export of any good or service to
11 any foreign country which exported to the United
12 States more than 20,000,000 pounds of shrimp in
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