



March 17, 2021

The Honorable Katherine Tai  
 United States Trade Representative  
 600 17<sup>th</sup> Street NW  
 Washington, DC 20508  
 United States of America

Dear Ambassador Tai:

We write to congratulate you on your confirmation, and to request an early meeting to discuss urgent trade challenges facing the United States seafood sector.

We are a proud industry that achieves exceptional environmental outcomes, delivers nutritious food to consumers, preserves vital cultural traditions, and creates jobs in communities across the United States. Our nation's wild-capture fisheries are a global model of sustainable management, and they produce seafood with one of the lowest carbon footprints of any protein of Earth. The U.S. fishing and seafood sector generates more than \$200 billion in annual sales and supports 1.7 million jobs.

Fair access to export markets is a critical priority, and in that context we have long advocated for the elimination of barriers to global seafood trade. Unfortunately, Federal trade policies and negotiations have consistently failed to safeguard U.S. seafood producer interests. This has led directly to the sharply unbalanced seafood trade landscape we are forced to navigate today, with steep tariff and non-tariff barriers imposed by leading trade partners even while seafood imports overwhelmingly enter the United States duty-free:

- China:** Retaliatory tariffs imposed beginning in July 2018—which remain at 30 percent for most U.S. seafood exports—have decimated our market share in the world’s largest and fastest-growing seafood market. This despite China committing to substantial increases in U.S. seafood purchases over the 2017 baseline in Chapter Six of the Phase One Agreement—commitments of which China is now in flagrant violation. Imports of global seafood by China have exploded since 2017. They were 89 percent above the 2017 baseline in 2019, and despite COVID-19 they remained 35 percent above the 2017 baseline in 2020. Yet rather than ride that incredible growth wave, China’s purchases of U.S. seafood have actually declined by 44 percent from their 2017 levels under the weight of retaliatory tariffs. Key U.S. seafood exports ranging from squid to salmon to spiny lobster have been heavily impacted. Meanwhile, key categories of seafood, such as pollock, continue to enter the United States from China duty-free. The immediate enforcement of Chapter Six Phase One seafood purchase commitments—and the broader rebalancing of duties imposed on seafood products traded between the United States and China—is an urgent priority for our sector.
- Japan:** The “Phase One” trade agreement concluded by the Trump administration in 2019 failed to deliver any market access gains whatsoever for seafood, even as barriers were reduced for a broad range of agricultural exports. Tariffs of up to 10.5 percent continue to be imposed on key U.S. seafood export categories, even as Japanese seafood enters the United States tariff-free. Additionally, non-tariff barriers, such as the Sanitary and Phytosanitary (SPS) restrictions that have hampered the live lobster trade with Japan, limit the growth of American seafood in this critical market.
- European Union:** United States seafood entering the EU continues to be subject to substantial tariffs, in addition to the operation of a trade-distorting Autonomous Tariff Quota (ATQ) system. An example of the harm this combination of trade barriers inflicts can be seen in the EU’s differential treatment of shrimp: *Pandalus jordani*, harvested primarily off the United States Pacific Coast, faces a lower quota and steeper tariffs than the virtually identical *Pandalus borealis* species, primarily harvested in Canada, directly undermining American seafood competitiveness. Moreover, other non-tariff barriers, such as those imposed by France on U.S. Atlantic sea scallops, restrict market access. USTR successfully negotiated the “Lobster Mini-Deal” in 2020, leveling the playing field for U.S. lobster exporters against their Canadian counterparts. However, the implementing regulation failed to include frozen lobster meat, meaning that a 20 percent EU tariff continues to be borne by U.S. value-added processors but not their Canadian counterparts. Furthermore, the Lobster Mini-Deal did not include Florida lobster *Palinurus Spp.*, which had previously been a valuable export to the EU from the Florida.
- Russia:** Almost all U.S. seafood has been blocked from the Russian market by an embargo imposed by Russian authorities starting in 2014. Yet most Russian seafood continues to enter the United States duty-free, where it competes directly with our local

producers. Since 2013, Russian seafood imports to the United States have grown by 69 percent, even while our industry has been locked out of the Russian market.

- **United Kingdom:** The UK is an important potential growth market for numerous U.S. seafood categories, including New England groundfish such as haddock. Yet in the immediate aftermath of Brexit, the UK has adopted a seafood tariff schedule that is almost identical to that of the European Union, even as UK seafood imports continue to enter the United States duty-free.

Taken together, this deeply unbalanced trade landscape poses an enormous threat to the U.S. seafood sector's ability to compete, and to the long-term viability of many regional employers. Belatedly recognizing this, the previous administration established a Seafood Trade Task Force, which was charged with developing a comprehensive National Seafood Trade Strategy. Unfortunately, that Strategy was never publicly released or implemented.

We are hopeful that your confirmation will be an opportunity to fundamentally reassess how seafood trade issues are handled within USTR and across the Federal government; and to advance trade policies that finally start to safeguard the interests of U.S. seafood producers. We look forward to hearing from you to schedule an opportunity for leaders from our industry to discuss these urgent concerns and priorities with you early in your tenure.

Sincerely,

Jeremy Woodrow  
Executive Director  
**Alaska Seafood Marketing Institute**

Annie Tselikis  
Executive Director  
**Maine Lobster Dealers' Association**

Stephanie Madsen  
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