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107TH CONGRESS
2D SESSION

H. R. 5578

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2002

Mr. PAUL (for himself, Mr. KINGSTON, and Mr. JONES of North Carolina) 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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Shrimp Importation Financing Fairness Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The United States domestic shrimping industry is a vital social and economic force for many coastal communities across the United States, affecting not simply those who own and operate shrimp boats but entire community economies including food processors, hoteliers and restaurateurs, grocery markets, and all those who work in and service these industries and others.

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

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

(4) Existing international trade agreements are ostensibly designed to decrease not just government regulation of trade but also government trade subsidies.

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

(in this Act referred to as ‘‘TEDs’’), which result in a significant loss of product per trawl, hence damaging the competitive position and market share of the domestic shrimping fishery.

(6) Seven non-NAFTA foreign countries (Thailand, Vietnam, India, China, Ecuador, Indonesia, and Brazil) have taken advantage of this Government-imposed reduction in competitiveness, by each exporting in excess of 20,000,000 pounds of shrimp to the United States in the first 6 months of this year.

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

(8) In the last 3 years our Government has provided more than $1,800,000,000 in financing and insurance for these foreign countries through the Overseas Private Investment Corporation, and our Government’s current exposure relative to these countries through our Export-Import Bank totals some $14,800,000,000, bringing the total subsidy of these countries by the United States to over $16,500,000,000.

(9) Many of these countries are not market-oriented, and hence their participation in United States-supported international finance regimes amounts to a direct subsidy by American taxpayers in the shrimping sector of their international competitors.

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

(11) The level of imports of shrimp by the United States from these countries has compounded the anticompetitive affects of our current Federal regulatory regime in this sector, leading to a depression of the price of shrimp.

(12) There is a crisis developing in the domestic shrimping industry, as evidenced by the fact that the National Marine Fisheries Service, the lead Federal agency in regulating the domestic shrimping fishery, has recently held briefings with staff of the House of Representatives and the Senate, and with industry representatives, to discuss this crisis and seek solutions thereto.

(13) Despite this meeting, the National Marine Fisheries Service has not announced that it will forego future regulatory encumbrances upon the domestic shrimping industry such as previously proposed TEDs modifications that would further harm competitiveness of the domestic shrimping fishery.

SEC. 3. MORATORIUM ON RESTRICTIVE REGULATIONS ON DOMESTIC SHRIMPING INDUSTRY.

The Secretary of Commerce shall not impose any new restrictive regulations on the domestic shrimping industry, including the proposed regulations modifying requirements relating to turtle excluder devices published on October 2, 2001, except as authorized by a law enacted after the date of enactment of this Act.

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

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

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

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

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

"SEC. 64. OPPOSITION TO IMF ASSISTANCE TO COUNTRIES EXPORTING EXCESSIVE AMOUNTS OF SHRIMP TO THE UNITED STATES IN FIRST 6 MONTHS OF 2002.

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

"(b) REDUCTION OF UNITED STATES CONTRIBUTIONS.—

"(1) IN GENERAL.—If, during the first 3-month period referred to in subsection (a), the Fund provides assistance in any form to a foreign country referred to in subsection (a), the Secretary of the Treasury shall reduce the amount otherwise authorized to be contributed by the United States to the Fund in first fiscal year that begins after the provision of the assistance by a percentage equal to—

"(A) the amount contributed by the United States to the Fund in the fiscal year in which the assistance is so provided, divided by the total of the amounts contributed to the Fund by all member countries in the fiscal year in which the assistance is so provided; multiplied by

"(B) the total amount of assistance provided by the Fund to the foreign country in the fiscal year referred to in subparagraph (A), divided by the total amount of assistance provided by the Fund to all countries in the fiscal year referred to in subparagraph (A).

"(2) CONTINUATION OF REDUCTIONS IF NECESSARY TO RECOVER FULL AMOUNT OF OPPOSED ASSISTANCE.—The Secretary shall continue to reduce the amount otherwise authorized to be contributed by the United States to the Fund for succeeding fiscal years until the total amount of the reductions under paragraph (1) with respect to the foreign country equals the amount of the assistance referred to in paragraph (1) with respect to the foreign country.

"(c) NOTICE TO THE CONGRESS OF AMOUNT OF IMPENDING REDUCTION.—Within 60 legislative days after the Fund, during the first 3-month period referred to in subsection (a), provides assistance in any form to a foreign country referred to in subsection (a), the Secretary of the Treasury shall—

"(1) determine the amount by which the United States contribution to the Fund is required to be reduced under subsection (b); and

"(2) notify the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate of the amount of the required reduction.".

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

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

"(13) The Bank may not guarantee, insure, or extend (or participate in the extension of) credit in connection with the export of any good or service to any foreign country which exported to the United States more than 20,000,000 pounds of shrimp in the first 6 months of calendar year 2002, until 3 months after the foreign country has reduced its shrimp exports to the United States to less than 3,000,000 pounds per month for a period of 3 consecutive months.".

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