

Statement of Senator Landrieu  
U.S.-China Commission Hearing on Byrd Amendment  
February 3, 2005

Mr. Chairman, thank you for inviting me to testify today before the U.S.-China Commission. Your Commission's work is vital to ensuring that our free trade with China elevates the prosperity and security of both nations through a fair and open exchange.

I would also like to thank Senator Byrd for his constant leadership and vision on this issue. If it were not for his persistent efforts, we would not be discussing the Continued Dumping and Subsidies Offset Act or "Byrd Amendment". As you all well know, this program helps countless American industries survive in a highly competitive global market place. In Louisiana alone, dozens of companies that may have collapsed under the weight of unfairly traded goods are surviving and even thriving. These companies are keeping jobs in Louisiana and holding together traditional industries that often mean more than a pay check, they are a way of life. We owe a debt of gratitude to you, Senator Byrd, and to the hard work of other Members like Senator Dewine, who have fought for this program and these industries. Louisiana agriculture, seafood and lumber industries have all been bolstered by this critical program. I pledge my support to work with you to ensure that the Byrd Amendment continues to sustain our domestic industries in a growing world of free and fair trade.

In Louisiana, few things signify the passage of winter,

however mild, and the coming of spring, than a family crawfish boil. These backwards crawling crustaceans may not appeal to some eaters, but to nearly all Louisianians they are a sumptuous feast of food and fun. It is a spring ritual. Boiled in a pot with vegetables, spices, and a few secret ingredients, these crawfish are brought to the table for all family and friends to enjoy. And to many Louisiana families who catch and sell these crawfish, it is business passed down from generation to generation. Without a doubt, catching, cooking and eating crawfish are truly parts of our Louisiana culture.

But not too long ago, the ability of the Louisiana crawfish industry to earn a fair price for their crop was devastated by foreign imports, largely from China. These crawfish were raised in ponds far away, using cheaper labor and relaxed standards. Their sale in Louisiana and across the U.S., completely undercut the domestic market. However, through the efforts of the Louisiana Crawfish Processors Alliance and the Louisiana Department of Agriculture, antidumping duties were imposed on Chinese crawfish to help stabilize prices. The crawfish industries success before the Department of Commerce and International Trade Commission did help raise prices somewhat, but if were not for the promise of the Byrd Amendment (the Continued Dumping and Subsidy Offset Act), these businesses would have boarded up and shut down. But the very goal of this program, to distribute the duties collected at our borders to those injured by unfairly traded imports, gives hope to industries like ours in Louisiana.

Unfortunately, the program isn't working so well for some and I want to share with you what is happening to our crawfish

processors in Louisiana.

As imports of crawfish tail-meat from China have remained steady and have even increased since the trade suit was won, the U.S. Bureau of Customs has failed to collect the funds owed to the Louisiana industry under this federal law. Based on the number of imports and under the antidumping order issued by the Department of Commerce, the Louisiana Crawfish Processors were owed \$64.5 million in Fiscal Year 2002 and only \$7.5 was collected. In FY2003, \$94.7 million was owed and only \$9.7 million was collected. In FY2004, \$150 million was owed and only \$8.2 million was collected. This terrible track record was brought to my attention and I immediately called upon Customs to let me know why their success rates for crawfish were hovering around or below 10%. At the urging of Secretary Scott Angelle, the Secretary of Natural Resources in Louisiana, I have continued to press Customs for answers. According to Customs, they are addressing what they refer to as a unique case, but the results of instituted changes may not be seen for a few years. This news is discouraging to me and could be devastating to Louisiana's Crawfish industries, and others across the country. The very program that is designed to lift up those industries cast down by unfairly traded goods could serve to hurt them even more.

My message to the Commission is simple: the Byrd Amendment is sound policy that serves to counter acts of unfair trade. If these commodities were fairly traded, trade suits and this program may not be necessary at all. But numerous industries, injured by unfair trade, are viable and prosperous

players in the world market today because of this program. I support it for the reasons I have outlined here today and for what it has done for our crawfish industry. Also, I call on this Commission to ensure that the Byrd Amendment is enforced by the United States government so that its mission of preserving American jobs and bolstering our industries can succeed. The Customs Department plays a critical role in protecting our borders, but that does not give them a free pass from tariff enforcement and duty collection. I urge the Commission to look into this issue of collection failure, with largely stems from items traded with China, and to report to the Congress on its findings. These uncollected duties owed through the Byrd Amendment are too valuable to American industries to take no action.

I want to close (OR submit for the record) with a few stories of folks in my home state:

Mike LeBlanc and his father C J LeBlanc with C J's Seafood has sold crawfish tail meat in Breaux Bridge, Louisiana for 27 years. Production hit a low of around 16,000 pounds after the Chinese started dumping tail meat. Even with the antidumping order in place, tail meat prices sank so low that Mike and his father were not able to expand or upgrade any equipment, including coolers, ice machines and delivery equipment.

Since CJ's has received Byrd Amendment funds they have been able to buy three new delivery vehicles, increase the square footage in their production facility, increase their cooler storage area, upgrade their disposal equipment and buy a new ice maker.

They have also increased their production employees to about 45. Production for the 2004 season was approximately 105,000 pounds.

Mr Terry Guidry of Catahoula Crawfish Inc. sold crawfish in the Lafayette/Baton Rouge and New Orleans area since 1977 (and his father before that, since 1958). After the Chinese started dumping tail meat in the mid- 1990s, the business was devastated. At one point in 2000, Mr. Guidry's production dropped to only 20,000 lbs of tail meat. Even with the antidumping order in place, the Chinese continued to dump at prices so low that it was impossible for Mr. Guidry to upgrade any of his aging equipment.

Thanks to the Byrd Amendment, Mr. Guidry now has two new delivery trucks, two new freezer compressors, a larger Vacuum Packaging machine and a new 6000 lb. ice-maker. In 2004, Mr. Guidry purchased over 750,000 lbs of live crawfish to process into 130,000 lbs. of Louisiana tail meat while increasing the number of his employees.

Again, thank you Mr. Chairman for allowing me to testify here today. I would also like to thank Senator Byrd again for his leadership and work on this issue. I look forward to working with you and with the Commission to support and improve the Byrd Amendment.