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TESTIMONY OF
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TO THE
SOUTHERN SHRIMP ALLIANCE

BEFORE THE
SUBCOMMITTEE ON WATER, OCEANS, AND WILDLIFE
COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

HYBRID LEGISLATIVE HEARING ON
H.R. 273, H.R. 274, H.R. 1569, H.R. 1983, H.R. 2026, H.R. 2325, H.R. 2773, H.R. 2793, H.R. 2848, H.R. 2872, H.R. 3075, H.R. 3128, H.R. 3135, H.R. 3396, AND H.R. 4458

July 29, 2021

Mister Chairman and Members of the Subcommittee, thank you for inviting me to participate in this hearing. I am Nathan Rickard, a partner at the law firm of Picard Kentz & Rowe LLP and trade counsel to the Southern Shrimp Alliance.

The Southern Shrimp Alliance represents shrimpers, unloading docks, processors, and seafood retailers and wholesalers involved in the commercial warmwater shrimp fishery. The Alliance's membership is drawn from a large swath of America, covering coastal communities from North Carolina to Texas. Principally comprised of small- and medium-sized family-owned and -operated businesses, the industry is subject to substantial federal, state, and local regulations that govern its operations. These regulations and controls are designed to guarantee the sustainability of the shrimp fishery, ensure that a healthy, safe, and wholesome food product is presented to the U.S. consumer, and establish standards and protections for those employed within the industry.

The commercial fishing industry in the United States operates under a broad amalgam of rules, administered by a large number of agencies, that continually increase in complexity and scope over time. For all the challenges presented by heavy regulation, there is a widespread consensus that our country operates and maintains sustainable commercial fisheries unparalleled elsewhere in the world.

I am not a shrimper. I do not pretend to fully understand how the women and men within the commercial shrimping industry come to terms with the regulatory structures that govern them. But I have watched their businesses operate and worked with the industry long enough to appreciate the massive imbalance in how we approach domestically produced seafood and seafood we import from overseas. For U.S. businesses, we condition participation in this market on strict compliance with our regulations. Crewmen and processing plant workers in the United States are afforded rights and protections geared towards their health and well-being. For American fishermen, rules must be followed that prevent overfishing, rebuild overfished stocks, and limit the adverse impact of commercial fishing on ecologically-sensitive marine habitats, endangered species, marine mammals, birds, and certain non-targeted fish. The consequences for non-compliance with these requirements are steep on an individual and fishery-wide basis.

However, with a few important exceptions, no similar conditions are placed upon their foreign competitors for access to this market.

While what happens overseas may be out of sight and out of mind, reports issued by two different federal agencies this year underscore the challenges created by the ease of access of foreign seafood to the U.S. market and, we believe, demonstrate the need for H.R. 3075, the *Illegal Fishing and Forced Labor Prevention Act*.

First, as described in more detail below, the U.S. International Trade Commission's report following the agency's investigation into the impact of illegal, unreported, and unregulated (IUU) seafood products on the U.S. market makes clear the massive extent to which IUU seafood imports have corrupted U.S. seafood supply chains. The inability to prevent IUU seafood imports from reaching U.S. consumers means that Americans unwittingly pour billions of dollars into supporting these practices. Beyond the environmental and humanitarian harm financed by the purchase of IUU seafood, importer access to this cheap seafood drives down prices for all legitimate participants in the U.S. seafood market, both foreign and domestic. With regard to U.S. commercial fisheries, the International Trade Commission's analysis found that the domestic warmwater shrimp industry is the most severely impacted by the presence of IUU seafood in the market.

Second, a report issued by NOAA Fisheries in April detailing the agency's experience in administering the Seafood Import Monitoring Program (SIMP) documented widespread non-compliance with the program. Providing information on the results of its audits over the first three calendar years of its implementation of the program, NOAA Fisheries reported that incidents of non-compliance increased last year compared to 2018 and 2019, and that even with three years of experience, in one out of every ten audits conducted in 2020 that found non-compliance with SIMP, the importer failed to present *any* traceability documents at all. These traceability documents are at the very core of the SIMP program. Moreover, even with the program in place, the report described widespread mischaracterization of species covered by SIMP in order to evade the payment of higher duties.

These recently issued reports from two different federal agencies illustrate the urgent need for enhanced enforcement measures with regard to the traceability requirements of SIMP, as well as the importance of Congressional oversight and direction to NOAA Fisheries that it is that agency's responsibility and obligation to prevent IUU seafood, including fish produced

through forced and child labor, from reaching American consumers. Bipartisan legislation proposed by Chair Huffman and Representative Graves – H.R. 3075, the *Illegal Fishing and Forced Labor Prevention Act* – would achieve those essential goals and, the Southern Shrimp Alliance believes, merits enactment as soon as possible.

I. ***Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries***

In 2019, NOAA Fisheries issued its most recent *Improving International Fisheries Management* report. In that report, the agency explained that the prospect of financial gain continued to encourage IUU fishing: "The reason IUU fishing continues despite decades of effort to curb the problem is the economic incentive that makes such activities cost-effective and financially viable for many fishermen and, indeed, investors."[1] NOAA Fisheries observed that the U.S. market plays a substantial role in the international trade of seafood, as it represents the second largest seafood import market in the world, and seafood imports "currently represent[] approximately 90 percent of U.S. seafood supplies . . ."[2]

The full extent to which the United States plays a role in driving demand for IUU seafood products was addressed earlier this year, in a report issued by the U.S. International Trade Commission following its investigation of *Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries*. The Commission's report provided estimates of the amount of IUU seafood present in the U.S. market and the adverse financial impact this imported seafood had on U.S. commercial fishing industries. The Commission estimated that more than one out of every ten dollars of seafood imported into the United States was derived from IUU fishing, with a total estimated value in 2019 of $2.4 billion.[3] Given the immense size of the supply of IUU seafood imports in the U.S. market, the Commission concluded that the removal of these imports "would have a positive effect on U.S. commercial fishers, with estimated increases in U.S. prices, landings (catches of fish), and operating income" and, further, would benefit foreign suppliers of legally caught seafood with "an increase in imported seafood prices" and "some increases in non-IUU imports."[4] The Commission concluded that the elimination of IUU seafood from the U.S. market, mitigated by an increase in the overall volume and value of imports of legitimately harvested seafood, would increase the total annual operating income of the U.S. commercial fishing industry by $60.8 million.

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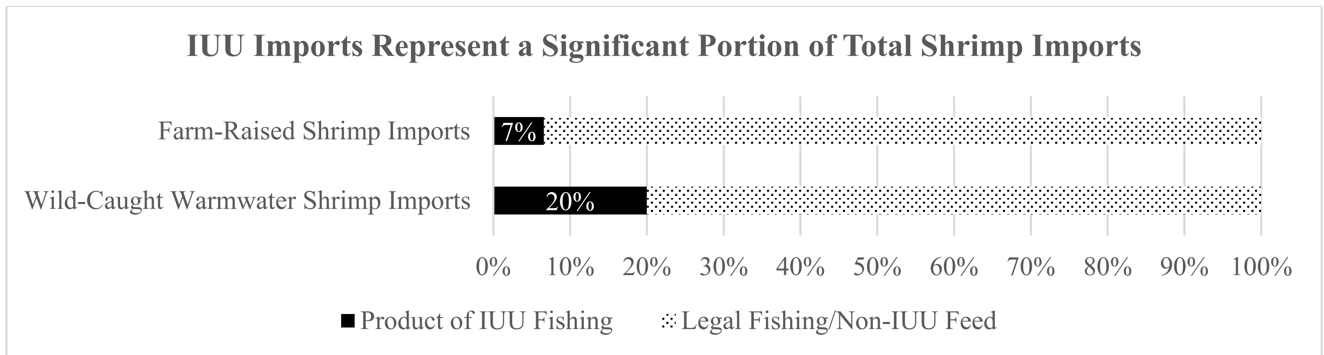
[1] NOAA Fisheries, *Improving International Fisheries Management: 2019 Report to Congress* (Sept. 2019) at 41.

[2] *Id.* at 41, 47, and 65.

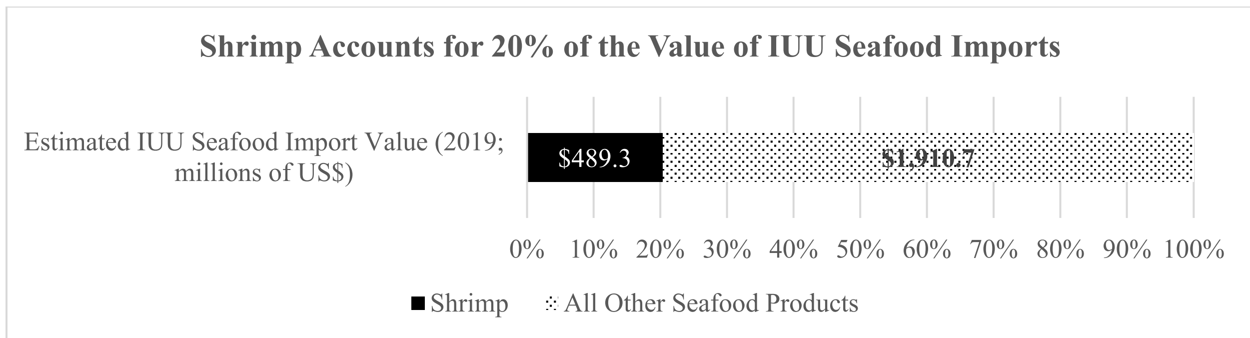
[3] U.S. International Trade Commission, *Seafood Obtained via Illegal, Unreported, and Unregulated Fishing: U.S. Imports and Economic Impact on U.S. Commercial Fisheries*, Inv. No. 332-575, USITC Pub. 5168 (Feb. 2021) at 79 (estimating value of IUU seafood imports in 2019 at $2,355,400,000, comprising 10.7% of total U.S. seafood import value).

[4] *Id.* at 11.

The Commission's investigation found that the impact of IUU seafood imports was felt most significantly by the U.S. shrimp industry. For 2019, the Commission estimated that almost half a billion dollars worth of shrimp considered to be IUU seafood was imported into the United States.[5] In that year, the United States imported an estimated $142.7 million worth of wild-caught warmwater shrimp that had been harvested through IUU fishing, along with $346.6 million worth of farm-raised shrimp considered to be IUU products due to the extent of IUU-harvested fish in their feed inputs.[6] In total, the Commission estimated that roughly twenty percent of wild-caught warmwater shrimp imported into the United States was harvested with IUU fishing, while roughly seven percent of farm-raised shrimp imported into the United States should be considered IUU products due to the extent of IUU-harvested fish in their feed inputs.[7]



The Commission estimated that shrimp imports, on their own, accounted for over twenty percent of the total value of estimated IUU seafood imports in 2019:



Because of the enormous size of IUU shrimp imports, the Commission found that it was the U.S. shrimp industry that would benefit most from the elimination of IUU seafood imports. As shown in the table below, the Commission estimated that the U.S. warmwater shrimp industry would see annual gains in operating income of $13.1 million, more than what was estimated for any other commercial fishing industry in the United States.[8]

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5 *Id.* at 113 and 118.

6 *Id.*

7 *Id.*

8 *Id.* at 290-318.

Commercial Fishing Sector	Total Estimated Annual Increase in Operating Income
Shrimp	***$13,149,400***
Salmon (farmed & wild-caught)	$11,831,700
Tuna	$8,482,000
Blue crab (swimming crab)	$5,630,000
Squid & Octopus	$4,127,500
Lobster (warm- and cold-water)	$4,115,400
Reef fish (Grouper & Red Snapper)	$3,709,500
Cod & Pollock	$2,755,200
Sardines, Herring, Anchovies, & Mackerel	$2,464,900
King crab & Snow crab	$1,794,700
Mahi Mahi	$1,746,700
Swordfish	$838,700

For an industry comprised exclusively of small- and medium-sized family-owned businesses, this additional revenue would be incredibly consequential. The Commission's analysis indicates that not only would the elimination of IUU seafood imports allow shrimpers to continue to work while turning a modest profit, a market without IUU seafood imports would warrant further investment in the industry, allowing a new generation of fishermen and women to provide for their families.

Moreover, the benefits of the removal of IUU seafood from the U.S. market are not limited to U.S. commercial fishermen. Foreign suppliers that do not engage in IUU fishing or consume IUU in their operations would no longer be required to compete with the artificially depressed prices from competitors that benefit from IUU fishing. Consumer confidence in the sustainability of the seafood products offered in local markets throughout the United States would also increase, potentially leading to increases in demand for seafood and higher prices for foreign and domestic producers alike.

The salient question then presented is whether it is feasible to prevent IUU seafood from entering the U.S. market. And the answer, based on the government's experience of regulation of domestic fisheries, is unequivocally in the affirmative. Federal and state laws have closed markets to domestic seafood that has been illegally harvested. Our federal and state governments administer robust enforcement regimes that pose severe consequences to anyone that would flout these laws. Moreover, tools are already in place that would prevent foreign IUU seafood from entering this market. The traceability requirements imposed by SIMP *should* provide clear assurances as to the provenance of seafood imported into this market. However, the ability of SIMP to deliver on its promise is contingent both upon importers' willingness to comply with the law and NOAA Fisheries' commitment to enforcing the law. These two factors are mutually reinforcing and, unfortunately, weaknesses in the enforcement regime have substantially undermined the effectiveness of SIMP.

II. ***Report on the Implementation of the U.S. Seafood Import Monitoring Program***

In April, NOAA Fisheries issued its first *Report on the Implementation of the U.S. Seafood Import Monitoring Program*.[9] In the report, the agency took pains to describe what SIMP was, in its view, not intended to do. As argued by NOAA Fisheries in that report:

- "SIMP was not designed to function as a mechanism for NOAA to attest to the legality of any given seafood shipment."[10]
- "As currently implemented, SIMP does not prevent or stop IUU fish and fish products from entering U.S. commerce."[11]
- "Although there may be cases where the information provided in an entry filing leads to the interdiction of a shipment containing IUU fish or fish products or misrepresented seafood entering the United States, SIMP was not designed to support the interception of all such shipments."[12]
- "SIMP . . . does not involve a routine examination of each and every shipment . . ."[13]

Without recognition of the irony that is wholly unappreciated by the U.S. commercial fishing industry, NOAA Fisheries pinpoints the dominance of seafood imports in the U.S. market as the basis for why SIMP was not intended to do these things. Noting that "the United States imports more than 85 percent of its seafood," NOAA Fisheries asserts that the "volume of imports is simply too great" for SIMP to be a "feasible" tool to interdict IUU seafood prior to reaching American consumers.[14] Further, according to the agency, "[a] significant obstacle to the use of SIMP as a tool for independent identification of IUU fish and fish products is the volume of imports . . ."[15] Thus, after decades of unfettered access to the U.S. market, the dominance established by seafood imports due to the chasm in regulatory treatment of fish harvested overseas and fish harvested domestically is now the very thing – cited by a regulatory agency no less – that we are told precludes meaningful regulation. Were it otherwise, muses NOAA Fisheries, "the disruptions of trade would be enormous and unsustainable."[16]

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9 NOAA Fisheries, *Report on the Implementation of the U.S. Seafood Import Monitoring Program* (Apr. 2021).

10 *Id.* at 6.

11 *Id.*

12 *Id.* at 5.

13 *Id.*

14 *Id.* at 4-5.

15 *Id.* at 13.

16 *Id.* at 5.

Leaving to one side that there is no support offered for this speculation, this position might be justified if a culture of compliance already pervaded amongst seafood importers. Although the tone and presentation of NOAA Fisheries' report would seem to indicate that compliance issues with SIMP have been minimal and largely technical in nature, the agency's actual experience establishes that the problems uncovered in the first three years of SIMP have been severe and demonstrate the need for enhanced enforcement.

For example, NOAA Fisheries' report discusses three nationwide operations undertaken by the Office of Law Enforcement (OLE).[17] The first of these operations began in May 2018, with OLE inspecting seafood imports and records for the eleven species initially subject to the requirements of SIMP.[18] The third operation took place in October 2019, with OLE focusing on the two additional species (shrimp and abalone) included within SIMP's ambit.[19] Limited detail is provided regarding OLE's conduct of these operations or the ultimate findings of these operations. In contrast, with regard to the second operation, a joint agency investigation conducted with U.S. Customs and Border Protection and the U.S. Food and Drug Administration, OLE responded to an "allegation that albacore tuna (Thunnus alalunga) was imported from Spain and labeled as bonito."[20] In the subsequent investigation, the federal agencies "found that some consignments of tuna were being misidentified during entry filing as bonito, which has significantly lower tariff rates."[21] U.S. Customs and Border Protection identified an incredible thirty-two companies that were misreporting tuna as bonito and "took actions to recover nearly $600,000 in lost revenue to the United States due to the underpayment of tariffs."[22]

Given the requirements of SIMP, the type and scope of the fraud uncovered by this joint federal agency operation is remarkable. Widespread mischaracterization of a species of fish imported into the United States implies either the production of fraudulent documents to support the false claims made by importers at the border or the lack of any documentation regarding the origins of the product from the outset.

Surprisingly, the lack of any documentation supporting the origin of seafood species covered by SIMP does not appear to be an unusual occurrence. Since January 2018 through March 1, 2021, NOAA Fisheries reports that the Office of International Affairs and Seafood Inspection (IASI) has completed 3,139 audits.[23] Overall, NOAA Fisheries has emphasized that the majority of the audits conducted by IASI found the importation to be in compliance with SIMP. Specific details regarding IASI's findings, however, are limited. NOAA Fisheries' report declined to provide detailed information regarding IASI's findings over the first two years that

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17 *Id.* at 12.

18 *Id.*

19 *Id.*

20 *Id.*

21 *Id.*

22 *Id.*

23 *Id.* at 10.

SIMP audits were conducted, but did set forth more detailed information regarding the result of IASI's audits in 2020.

Providing a broad overview of IASI's initial SIMP audits in 2018 and 2019, the NOAA Fisheries report observed that "[i]n the first two years of implementation, IASI auditors found that nearly 60 percent of the SIMP audits were in compliance."[24] In 2020, IASI conducted 1,073 audits (34.2 percent of IASI's total audits), with 57.3 percent of the audits (615) resulting in a finding of compliance, while 42.7 percent of the audits (458) were found to have at least one issue of non-compliance.[25] Accordingly, NOAA Fisheries' report indicates that compliance with SIMP has not improved over time, with non-compliance findings in the most recently completed calendar year either remaining similar to where they were in 2018 and 2019 (~40 percent of audits) or deteriorating (to ~43 percent of audits).

Nevertheless, NOAA Fisheries has tended to emphasize the technical nature of findings of non-compliance: "The majority of SIMP audits do not identify noncompliance. Of the 40 percent that do, only a small number rise to the level that they warrant enforcement action."[26] At the same time, the agency explains that "[t]o improve the rate of compliance over time it is critical to carefully review the types and frequency of findings and identify priority for industry engagement."[27] In furtherance of this objective, NOAA Fisheries describes four different groupings of non-compliance findings made through IASI audits: (1) discrepancy; (2) deficiency; (3) no records provided; and (4) IFTP issue.[28] Of these four groupings, the agency indicates that the most frequently encountered form of non-compliance are discrepancies: "The most common issues identified are discrepancies between information reported at the time of initial entry filing and chain of custody records provided upon request at the time of an audit."[29]

In the absence of detailed information regarding the types of non-compliance found in IASI's audits in 2018 and 2019, it is difficult to evaluate this characterization or to ascertain whether the nature of non-compliance has changed over time. Nevertheless, the NOAA Fisheries report indicates that of the incidents of non-compliance found by IASI in 2020, 44, or 9.6 percent of the 458 audits that found non-compliance with SIMP, were of the "no records provided" variety.[30] NOAA Fisheries describes this category of non-compliance as follows:

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24 *Id.*

25 *Id.* at 11.

26 *Id.* at 12.

27 *Id.* at 10.

28 *Id.* at 10-11.

29 *Id.* at 11.

30 *Id.* at 11. The reporting methodology used by NOAA Fisheries dilutes the significance of this category of non-compliance by utilizing a denominator that includes multiple issues of non-compliance resulting from a single audit ("Note: One audit finding may have multiple issues of noncompliance."). *Id.* Because a failure to provide any records may only constitute one issue of non-compliance per audit, the appropriate denominator for

"The importer *did not provide chain of custody records when requested to do so* by the IASI auditors and in the time frame specified in the Guide to Audit Requirements for SIMP."[31] Because "IASI utilizes an automated program that randomly selects entry filings for audit on a weekly basis using established criteria to ensure that audits are performed across the full spectrum of importers and species" and does not yet conduct targeted audits[32] and because each import of seafood covered by SIMP must be made by an entity that has applied for and received an International Fisheries Trade Permit (IFTP),[33] this is an astonishingly high level of incidents of total non-compliance with SIMP in the *third year* of the program's operation.

The NOAA Fisheries report does not further address this category of non-compliance and, as such, provides no context for why this continues to occur or what the agency does in response, other than to indicate that some findings of non-compliance "warrant enforcement action" and "are referred to OLE."[34] Moreover, the report provides no indication that egregious findings of non-compliance – whether mischaracterizing tuna as bonito or failing to provide chain of custody records – has any impact on the status of the importer's IFTP.

III. ***Illegal Fishing and Forced Labor Prevention Act***

In the reports issued this year, federal agencies have explained that:

- We are inundated with IUU seafood products – to the tune of $2.4 billion a year;
- Importer compliance with SIMP is weak, such that, even in the third year of the program's operation, two in five IASI audits find some form of non-compliance and one in twenty-five result in no records being submitted to support the traceability claims made by the importer at the time of entry;
- Even with SIMP, widespread seafood fraud has continued as evidenced by the joint federal agency investigation finding that thirty-two importers falsely claimed that imports of tuna from Spain were bonito in order to evade higher customs duty payments;
- The elimination of IUU seafood products from the U.S. market would create significant additional operating income for U.S. commercial

understanding the significance of these incidents is simply the total number of non-compliant audits.

31 *Id.* at 10 (emphasis added).

32 *Id.* at 11 and 15.

33 *Id.* at 5 ("Importers are required to obtain a NOAA Fisheries International Fisheries Trade Permit (IFTP).").

34 *Id.* at 12.

fisheries, most prominently for the U.S. warmwater shrimp industry; but

- The federal agency with enforcement authority, NOAA Fisheries, does not believe that SIMP is an effective or feasible means for identifying IUU seafood before it reaches the U.S. market.

For the Southern Shrimp Alliance, these findings reinforce the importance of confronting and addressing fraud in the market for imported seafood. For the past two decades, the Southern Shrimp Alliance has attempted to both document and draw attention to the susceptibility of our imported seafood supply chains to fraud, to the use of forced labor, and to the sourcing of IUU seafood. The shrimp industry's experience establishes that these practices are not aberrant but, in the absence of meaningful regulatory control over imported seafood, are routine strategies employed by seafood importers to increase profitability.

Our findings and conclusions have been vigorously opposed by seafood importer interests, who argue that the industry has, on its own initiative, developed and implemented practices that provide assurances to American consumers that the seafood they purchase is ethically and sustainably sourced. Whatever merit these claims may have, it is difficult to understand how the United States could import $2.4 billion in IUU seafood annually if private industry efforts were effective. If these private industry initiatives were effective, it is also difficult to understand how one investigation could find nearly three dozen companies evading hundreds of thousands of dollars in regular customs duties through false characterization of the species of fish imported. And if these private industry initiatives were effective, it is further difficult to understand how IFTP holders, when faced with an audit request by IASI, could be entirely unable to supply chain-of-custody documents supporting affirmative claims made to the U.S. government at import entry.

Because of the scope of the issue confronted, the belief that addressing widespread illegal practices in the imported seafood supply chain would be too disruptive to the American economy must be rejected. While NOAA Fisheries has emphasized the potential adverse impact of enhanced enforcement efforts against IUU seafood imports on legitimate trade, the agency entirely ignores the harm these imports have on the commercial industries that are subject to intense regulation by NOAA Fisheries. The inconsistency in these messages from NOAA Fisheries is impossible for U.S. commercial fishing industries to accept. On one hand, concerns regarding the impact of regulatory controls on law-abiding fishermen has never prevented NOAA Fisheries from increasing its enforcement activities of domestic fisheries. Yet, at the same time, NOAA Fisheries claims that enforcing laws under its jurisdiction that prohibit the import of IUU seafood would be too disruptive.

This fundamental, foundational disconnect explains why we are here today. Given the position taken by NOAA Fisheries, H.R. 3075, the *Illegal Fishing and Forced Labor Prevention Act*, is essential legislation.

First, Section 104(a) obligates NOAA Fisheries to make the reporting of traceability information at the time of import entry a condition of importation for seafood. Under the provision, in order to import seafood covered by SIMP, information must be reported regarding

where the seafood was caught or cultivated, the identity of the beneficial owners of each harvesting and transshipment vessel employed or aquaculture facility used, as applicable, and, through the submission of electronic reports of chain-of-custody records, the names of each custodian of the seafood. Through this legislative language, Congress provides guidance to the agency as to what are the minimum requirements for the importation of seafood into the United States, establishing a baseline that prohibits importation for fish that are not accompanied by chain-of-custody documents.

With this standard established, Section 109 of the bill requires NOAA Fisheries to, on an annual basis, provide a public accounting of the agency's efforts to prevent the importation of IUU seafood, particularly with regard to IUU seafood produced through forced labor. This reporting requirement would require the agency to:

- Provide the volume and value of seafood species imported in the prior fiscal year by ten-digit Harmonized Tariff Schedule of the United States codes;
- Identify the agency's enforcement activities and priorities with regard to the implementation of SIMP;
- State the percentage of import shipments that were selected for inspection or audit;
- Give the number and describe the types of instances of non-compliance with SIMP detected through inspection or audit;
- Report the number and types of instances of violations of state and/or federal law discovered through SIMP; and
- Describe the species and the location of catch (or harvest) in which non-compliance and violations of law were found to be most prevalent.

This annual reporting requirement would establish objective benchmarks for evaluating NOAA Fisheries' administration of SIMP. These benchmarks, in turn, will facilitate Congressional oversight of the agency's implementation of the program.

In particular, the reporting requirement will afford Congress the ability to measure the efficacy of IASI's audits. Subsection (a) of Section 106 of the proposed legislation instructs NOAA Fisheries to implement an audit program that would support "statistically robust conclusions" representative of seafood imports each year. Subsection (b) of that section requires NOAA Fisheries to modify its audit program at least once a year to prioritize audits for seafood imports from countries that have been identified (1) under 16 U.S.C. § 1826j or 16 U.S.C. § 1826k; (2) by a Regional Fishery Management Organization as being a flag state and landing location for IUU fishing; (3) within the U.S. Department of State's *Trafficking in Persons* report as having human trafficking or forced labor "in any part of the seafood supply chain"; (4) by the U.S. Department of Labor as producing goods that include seafood using forced or child labor in

the agency's most recent *List of Goods Produced by Child or Forced Labor*; and (5) as at risk for human trafficking, including forced labor, in their seafood catching and processing industries in the *Human Trafficking in the Seafood Supply Chain* report. The annual reporting requirement creates a basis for evaluating whether these two obligations of Section 106 are being met.

Importantly, Section 104(c) of the draft legislation would also codify NOAA Fisheries' requirement that importers obtain an International Fisheries Trade Permit (IFTP), as well as instruct the agency to continue to publish and maintain a list of all IFTP holders on the agency's website. To ensure that violations of the law have some consequence, the section also enhances NOAA Fisheries' authority to address non-compliance with SIMP by instructing the agency to "begin to revoke, modify, or deny issuance of an [IFTP] with respect to a permit holder or applicant that has violated" any requirement of SIMP. This authority would give the agency the capacity to eliminate bad actors from the U.S. seafood market and encourage greater compliance with SIMP requirements.

The legislation would also facilitate the identification of seafood shipments that present risks of violating U.S. law by requiring, pursuant to Section 104(a)(2), importers to provide prior notification at least 72 hours prior to import entry. In addition, Section 107 of the legislation requires NOAA Fisheries to coordinate with U.S. Customs and Border Protection to continue to ensure that the SIMP data elements can be submitted through the International Trade Data System Automated Commercial Environment (ACE). Moreover, the legislation also requires U.S. Customs and Border Protection, in coordination with NOAA Fisheries, to develop and implement strategies to integrate SIMP reporting into ACE (Section 103). Further, the bill would also facilitate interagency coordination regarding at-risk shipments as Section 108 of the legislation amends 16 U.S.C. § 1881a to expressly permit the sharing of information amongst "Federal agencies responsible for screening of imported seafood . . ."

Each of these legislative initiatives establish Congressional expectations for the agency while simultaneously providing concrete means through which NOAA Fisheries can achieve those expectations.

Beyond these practical enhancements of NOAA Fisheries' enforcement capacity under SIMP, Section 104(b) mandates that the agency additionally collect information regarding "labor conditions in the harvest, transshipment, and processing of imported fish and fish products." Although the agency has been called upon to be vigilant regarding any signs of forced labor in U.S.-flagged fishing operations, NOAA Fisheries has expressed a general opposition to assuming responsibility for ensuring that foreign seafood produced through slave labor does not reach American consumers. The *Illegal Fishing and Forced Labor Prevention Act* appropriately recognizes that NOAA Fisheries should aspire to develop information about foreign seafood supply chains that encompasses all aspects of the production of these goods.

Moreover, Title III of the bill further emphasizes the importance of addressing slavery in seafood supply chains. Section 303(c) instructs the agency to, for the purposes of the High Seas Driftnet Fishing Moratorium Protection Act and the Magnuson-Stevens Fishery Conservation and Management Act, construe the term "IUU fishing" so as to encompass the internationally recognized labor rights set forth by the International Labour Organization Declaration on Fundamental Principles and Rights At Work and its Follow-Up (1998). In so doing, the bill

makes clear that importation of seafood produced through forced labor, oppressive child labor, and compulsory labor violates both the Moratorium Protection Act and the Magnuson-Stevens Act. Additionally, Section 302(a) specifies that findings regarding human trafficking and forced labor in seafood supply chains are sufficient to warrant the identification of a nation in the IUU fishing report required of NOAA Fisheries under 16 U.S.C. § 1826j. This amendment to the law underscores the unique authority that the agency has to respond to slavery in seafood supply chains and all other forms of IUU fishing, as a negative certification determination made pursuant to the statute, revised by Section 302(b), triggers the possibility of the imposition of the import restrictions set out at 16 U.S.C. § 1826a.

Finally, the *Illegal Fishing and Forced Labor Prevention Act* also substantially augments NOAA Fisheries' capacity to develop a culture of compliance amongst U.S. seafood importers through practical modifications that expand the agency's enforcement authority. For example, by affording NOAA Fisheries the authority to detain shipments of fish or fish products for up to fourteen days, Section 403 of Title IV gives the agency the opportunity to investigate seafood shipments of questionable provenance before they reach the market. This additional authority makes it much more likely that, as a practical matter, NOAA Fisheries' efforts to improve detection of at-risk seafood imports, as required by Section 105, will result in meaningful interdiction of unlawful imports. In addition, Section 203(b) mandates that NOAA Fisheries develop a public list of every foreign supplier of seafood offering to sell to the United States along with an accounting of any violations of federal law relating to seafood fraud or IUU fishing attributed to each supplier identified. Such a catalog will make compliance information easily accessible to all U.S. purchasers, from institutional buyers to individual consumers.

IV. Conclusion

For many years, the Southern Shrimp Alliance has attempted to raise alarms as to what the U.S. shrimp industry has seen in the marketplace from their import competition. Accordingly, there is a great deal of comfort taken here today that I do not appear before this Committee to share just the industry's individual experience but, instead, to summarize the findings of reports issued by federal agencies that provide objective support for the arguments that the Southern Shrimp Alliance has repeatedly presented.

The Southern Shrimp Alliance greatly appreciates that these federal agency reports are the result of this Committee's continued prioritization of the issues of imported seafood fraud, IUU seafood, and forced labor in seafood supply chains. Congress asked the U.S. International Trade Commission to investigate the impact of IUU seafood imports on U.S. commercial fishing industries, leading to the conclusion that each year our country imports billions of dollars of IUU seafood costing U.S. producers tens of millions of dollars. Moreover, this Committee's oversight and continued interest in the administration of SIMP has led NOAA Fisheries to provide public disclosures of its activities with respect to that program.

Ultimately, the Southern Shrimp Alliance believes that meaningful traceability requirements are essential to effective deterrence of IUU fishing. The *Illegal Fishing and Forced Labor Prevention Act* takes that belief seriously. By establishing minimum standards, enhancing NOAA Fisheries' enforcement authority, and requiring the agency to provide regular

reports of its activities, the proposed legislation is a huge step forward in eliminating IUU seafood from our market.

Thank you for inviting me to share the U.S. shrimp industry's views with the Committee and I look forward to answering any questions you might have.