

# United States Senate

WASHINGTON, DC 20510-1804

October 10, 2014

The Honorable R. Gil Kerlikowske  
Commissioner  
US Customs and Border Protection  
1300 Pennsylvania Avenue, NW  
Washington, DC 20229

Dear Commissioner Kerlikowske:

On October 22-23, 2014, a delegation of crawfish producers will be in Washington, DC. I write to request that look into several issues that I will raise in this letter and would greatly appreciate it if you would meet with this group to explain CBP's actions on these matters.

As you may know, the crawfish industry was greatly injured by Chinese dumping that began about a decade and a half ago. After this industry won an antidumping order on imports from China through considerable effort and expense, Chinese companies quickly set up "new" importing companies to evade these duties – "new shippers" – to import large quantities of these products while they were investigated by the Department of Commerce. Unsurprisingly, Commerce found that these new companies were importing at dumped prices, but the companies rapidly disappeared with duties unpaid.

These "new shippers" were forced to post bonds, but the insurance companies that issued the bonds have resisted paying what they owed. Slow collection actions by CBP and stonewalling by the insurance companies has resulted in – by CBP's accounting – \$600 million in bonds on these imports still being held by CBP. While some progress on collections has been made in recent years, much more remains to be done. Most of these duties were on imports from 2007 and before. Thus, these duties are subject to the Continuing Dumping and Subsidies Offset Act (CDSOA). This act directs that duties collected, including interest on the duties, be paid to the affected domestic industry and provides vital support to crawfish producers in Louisiana as well as to producers around the country.

As Chair of the Appropriations Subcommittee on Homeland Security, I held a hearing in July that revealed some disturbing information on CBP's collection operations. While CBP had prevailed in court to collect \$6.1 million in crawfish duties, the Department of Justice planned to deduct 3 percent of this to cover the cost of litigation and CBP planned to deduct an astounding 90 percent to pay interest to itself. This is astounding because the years of delay in this collection is either the responsibility of CBP or the insurance companies and CDSOA clearly directs you to distribute duties, "including all interest earned," to the domestic industry. It is certainly not the fault of the domestic industry. Yet somehow the domestic industry is effectively being forced to pay the interest due out of money that would otherwise go to them.

For scheduling and coordination purposes, your staff can coordinate with Mr. Ross Nodurft from my office (202-224-5824). Thank you in advance for your attention to this matter.

With kind regards, I am

Sincerely,



Mary L. Landrieu  
United States Senator