

House committee on US-China trade competition recommends special SIMP status for China

By Cliff White December 18, 2023



A U.S. House committee focused on US-China trade competition has issued a report calling for a crackdown on imports of seafood from China potentially processed using forced labor.

The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party issued a bipartisan report on Tuesday, 12 December with 150 policy recommendations designed to reset U.S. economic relations with China.

The report, "Reset, Prevent, Build: A Strategy to Win America's Economic Competition with the Chinese Communist Party," provides recommendations to help the U.S. combat and compete with China's "non-market practices."

"With this report, the Select Committee has shown that the bipartisan will exists to meet the call of history. It embraces the clear reality that our current economic relationship with the People's Republic of China needs to be reset in order to serve the economic and national security interests of the United States, while offering nearly 150 bipartisan recommendations for Congress to legislate," U.S. Reps. Mike Gallagher (R-Wisconsin) and Raja Krishnamoorthi (D-Illinois) said. "Collectively, these recommendations will reset the terms of our relationship with the PRC, prevent the flow of American capital and technology from supporting its military advances and human rights abuses, and build collective economic resilience in concert with our allies and partners while ensuring American leadership for decades to come."

Earlier this year, the administration of U.S. President Joe Biden initiated a policy of reengagement with China, culminating in a meeting between Biden and China President Xi Jinping in the U.S. state of California in November 2023.

However, U.S. lawmakers have taken China to task for alleged labor abuses in its distant-water fleet and in its seafood processing facilities, and a bill that would ban the import of Chinese seafood imports has been introduced in the U.S. Senate.

The House committee's report calls for the U.S. Congress to expand the "rebuttable presumption" in the Uyghur Forced Labor Prevention Act (UFLPA) to include all Chinese seafood products, not just those produced in Xinjiang province. The rule change would require importers of Chinese seafood to provide sufficient evidence Uyghur labor was not used in its production

The Outlaw Ocean Project has documented extensive evidence China's seafood processing industry has made use of Uyghur labor, but no imported Chinese seafood has been flagged under the UFLPA to-date.

The committee also called for an increase in the U.S. government's investigative capacity and enforcement of transshipment, tariff evasion, money laundering, and UFLPA violations. And it called for the passage of the Strengthening the Uyghur Forced Labor Prevention Act, which it said would strengthen safeguards preventing the import of Chinese products made with forced labor from entering the United States.

Additionally, the committee recommended Congress make all Chinese seafood products subject to the Seafood Import Monitoring Program (SIMP) "to ensure the United States is not complicit in the PRC's practice of illegal, unreported, and unregulated fishing."

Also among the 150 recommendations was a suggestion that Congress enact legislation "to prevent further U.S. capitalization of PRC companies under U.S. human rights sanctions or implicated in Uyghur forced labor." Such legislation could potentially include a requirement the U.S. Security and Exchange Commission move to delist all companies known to have violated the UFLPA or any company "with broader connections to forced labor."

The American Shrimp Processors association applauded the report and the committee's recommendations.

"If the Select Committee's recommendation regarding the UFLPA was adopted, U.S. importers would no longer be able to exploit the human rights violations occurring in Shandong province to obtain higher profit margins on their shrimp products," it said.

American Shrimp Processors Association President Trey Pearson said lenient trade policies with China have damaged the domestic shrimp sector in the U.S.

"American shrimp processors and harvesters have been fighting China's unfair trade practices for nearly 20 years," Pearson said. "The domestic shrimp industry is made up of small, family-owned businesses, and we need our trade remedy laws to be strengthened and vigorously enforced for us to have a chance to compete with foreign producers and exporters supported by the government of China."

Southern Shrimp Alliance Executive Director John Williams said the recent reports detailing alleged labor abuses in China's seafood industry, and in particular the Outlaw Ocean Report, demonstrated the need to reshore processing of domestically caught seafood in the U.S.

"There is no reasonable justification for shipping shrimp across an ocean to be processed in a plant that has the same capabilities as shrimp-processing plants around the world," Williams said. "Creating supply chains to profit off of human suffering is reprehensible and the Southern Shrimp Alliance is grateful to the Select Committee for focusing on this issue and proposing meaningful, effective solutions."

Photo courtesy of House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party



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