



March 23, 2006

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
USTR
Via E-mail FR0608@ustr.eop.gov

Dear Ms. Blue:

On behalf of the Virginia Marine Products Board (VMPB), representing seafood producers based in Virginia and a variety of seafood products produced nationwide, I am responding to the F.R. Notice #608 of February 9, 2006. This Notice requests comments on the U.S.-Korea Free Trade Agreement (FTA) negotiations. **The VMPB requests that import tariffs imposed by Korea on a variety of U.S. produced seafood species are eliminated as part of a United States/Korea FTA.**

United States seafood production for export to Korea is very important to the health and growth of the Virginia and overall domestic seafood industry. The Korean Food Journal has reported annual per capita seafood consumption in Korea to be among the highest levels in the world. Consumption is expected to continue to grow in Korea, yet various natural factors (such as geographic size and raw material availability) make Korea a significant net importer of frozen seafood. The VMPB has done significant work through trade shows and product development to help create a current market for Virginia and U.S. seafood items. However, significant tariffs are in place on every item which significantly harms market development. The tariffs, in addition to creating artificial price inflation which hurts market development, puts the U.S. producers in a specific disadvantage in relation to other exporting countries. For example, a Korea/Chile FTA which became effective on April 1, 2004 is helping lower and eliminate tariffs on Chilean exports. Chile has seen an immediate increase in exports and market share while the U.S. remains saddled with high tariffs on our domestic production.

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Specifically, the VMPB would ask U.S. trade negotiators to work to immediately eliminate tariffs on all U.S. seafood exports to Korea, noting the following which serve as the most recent examples of U.S. production and their current tariff treatment:

- Frozen Croaker (a species of fish) – the Korean Tariff on croaker, a very popular item for Korean consumers, is ‘unbound’ within the context of the WTO, meaning there is no ceiling on the rate. Currently, the tariff is listed at 63%.
- Frozen Blue Crab – a 14% tariff
- Frozen Scallops – a 20% tariff
- Frozen Squid – a 30% tariff
- Live Eel – a 30% tariff
- Frozen Surf Clams – a significant Virginia and East Coast resource
- Frozen Ray – a local predator decimating shellfish production of other seafood, yet for which an excellent market can exist in Korea if allowed in without artificial barriers.

In 2004, Korea was the fifth largest market already for U.S. fishery products. Therefore, it is already an important foundation market for U.S. production. However, the U.S. still only represents approximately 5-6% of overall Korean seafood imports. The elimination of the tariffs is a crucial step which will help our ability to increase this market share.

Thank you for the opportunity to comment on this negotiation. If you have any questions, please contact me at 757-874-3474.

Sincerely,

Shirley A. Estes
Executive Director
Virginia Marine Products Board