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Trade Briefs

U.S. Steel Complains About China, Feels Effects of Financial Crisis

The American Iron and Steel Institute (AISI) and the National Association of Manufacturers (NAM), among other pro-U.S. steel organizations, have filed complaints with the U.S. Trade Representative's (USTR) Trade Policy Staff Committee to object to what it claims is China's failure to abide by its agreements with the World Trade Organization (WTO). With a financial crisis reverberating across American industry, this kind of activity is expected to intensify.

According to multiple reports, in its petition, the AISI asked that the USTR do four things:

- First, they said that the trade representative should pursue additional action by the WTO to respond to China's noncompliance.
- Second, the USTR should address China's currency manipulation.
- Third, the USTR should pursue bilateral and multilateral consultations to generally address China's market-distorting practices.
- And fourth, the U.S. should improve the enforcement of existing trade laws, especially anti-dumping and countervailing duty laws.

NAM's complaint was along the same lines, criticizing China's lack of adherence to its WTO commitments. In addition, another group, the U.S. Business and Industry Council Educational Foundation, echoed these complaints.

The groups emphasized that their concerns were not only with China's actions, which they believed were unfair. They also pointed out the enormous size of the Chinese steel industry and therefore its ability to have a substantial distorting effect on the global marketplace.

This could be merely a sign of what is to come from the U.S. steel industry. The American steel industry has been historically aggressive in using U.S. trade law to protect the domestic marketplace. However, as the ongoing financial crisis begins to affect American manufacturers, it is possible that there will be an intensification of their protectionist tactics. The Bush Administration's \$700 billion bailout package has not led to a quick recovery, and the Dow Jones Industrial Average closed under 10,000 for the first time in years yesterday. There is fear that credit markets will tighten and lending will come to a halt.

The uncertainty surrounding the financial markets has already had a ripple effect adversely affecting U.S. steel producers. A number of major producers lost 15 to 19 percent last week, and some like Olympic Steel were considered "winners" for dropping only 12 points.

In the reasonably likely event that the market worsens, economic populism and protectionism could become increasingly potent political forces. Trade deals could become harder to negotiate and trade laws will be more vigorously prosecuted.

WTO Rules Against U.S. on Zeroing

On Wednesday, October 1, the World Trade Organization (WTO) issued a ruling from a panel convened to examine a complaint by the European Communities (EC) against the United States' use of zeroing methodology. The panel found that the U.S., in its use of zeroing, had been inconsistent with its obligations under the WTO.

Zeroing is the practice of setting negative dumping margins equal to zero before completing an overall average margin of dumping. This practice results in the systematic overestimation of dumping margins in many investigations. Zeroing is widely viewed as unfair because it favors domestic producers and punishes importers by eliminating negative dumping margins.

Zeroing is favored by U.S. producers and organized labor for these very reasons. Their defense of the practice has even resulted in proposed legislation, such as H.R. 6530, the Trade Enforcement Act of 2008 (TEA). The TEA, proposed by House Ways & Means Committee Chairman Charlie Rangel (D-NY) and Trade Subcommittee Chairman Sander Levin (D-MI), would actually require the Department of Commerce (DOC) to use zeroing in estimating dumping margins. Japan offered arguments as a third party in support of the EC's complaint.

It is yet to be determined how the ruling will affect the calculation of dumping margins in the future.

Dumping Watch

DOC Announces Intent to Revoke AD Order on Polychloroprene Rubber from Japan

The Department of Commerce (DOC) received a request from Dupont Performance Elastomers L.L.C. (DPE) for a changed circumstances review and a request to revoke, in part, the antidumping duty (AD) finding on certain polychloroprene rubber products from Japan. DPE said that it no longer had any interest in AD relief from imports of this product. Therefore, the DOC expressed its intent to revoke the order, as DPE is the sole petitioner in the AD investigation.

DOC to Resume Reconsideration of AD Order on Printing Presses from Japan

The DOC gave notice that it would resume the reconsideration of a sunset review on an AD order on large newspaper printing presses and components thereof, whether assembled or unassembled, from Japan. In January 2007, the Court of International Trade (CIT) had ordered the DOC to discontinue any action in regard to this reconsideration. However, in June 2008, the Court of Appeals for the Federal Circuit reversed CIT's decision, saying that the decision was not subject to judicial review. The DOC was advised that it may resume this review, and the DOC plans to issue its final results by November 6, 2008.

Federal Register Notices

International Trade Administration

[A-570-894] Certain Tissue Paper Products From the People's Republic of China:

Affirmative Final Determination of Circumvention of the Antidumping Duty Order 73 FR 57591-57594, October 3, 2008.

[C-580-851] Dynamic Random Access Memory Semiconductors From the Republic of

Korea: Final Results of Sunset Review and Revocation of Order 73 FR 57594-57596, October 3, 2008.

[A-588-861, A-580-850, A-570-879] Polyvinyl Alcohol From Japan, the Republic of

Korea, and the People's Republic of China: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders 73 FR 57596-57597, October 3, 2008.

[A-570-851] Certain Preserved Mushrooms From the People's Republic of China:

Preliminary Results of Antidumping Duty New Shipper Review 73 FR 57597-57602, October 3, 2008.

[A-823-808] Suspension of Antidumping Investigation: Certain Cut-to-Length Carbon Steel Plate From Ukraine 73 FR 57602-57606, October 3, 2008.

Notice and Call for Applications for Trade Mission to Warsaw, Poland in Conjunction With Trade Winds Forum Europe, April 19-22, 2009 73 FR 57606-57608, October 3, 2008.

[A-570-851] Certain Preserved Mushrooms From the People's Republic of China:

Notice of Court Decision Not in Harmony With Final Results of Administrative Review 73 FR 57322-57323, October 2, 2008.

[C-570-921] Lightweight Thermal Paper From the People's Republic of China: Final Affirmative Countervailing Duty Determination *73 FR 57323-57326*, October 2, 2008.

[A-428-840] Lightweight Thermal Paper from Germany: Notice of Final Determination of Sales at Less Than Fair Value *73 FR 57326-57329*, October 2, 2008.

[A-570-920] Lightweight Thermal Paper From the People's Republic of China: Final Determination of Sales at Less Than Fair Value *73 FR 57329-57333*, October 2, 2008.

[A-570-851] Certain Preserved Mushrooms From the People's Republic of China: Notice of Initiation of Antidumping Duty New Shipper Reviews *73 FR 57333-57334*, October 2, 2008.

[A-570-884] Certain Color Television Receivers From the People's Republic of China: Rescission of Antidumping Duty Administrative Review *73 FR 57334-57335*, October 2, 2008

Initiation of Five-Year ("Sunset") Review. *73 FR 57055-57056*. October 1, 2008.

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review. *73 FR 57056-57058*. October 1, 2008.

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews. *73 FR 57056*. October 1, 2008.

[A-552-801] Certain Frozen Fish Fillets from the Socialist Republic of Vietnam: Initiation of New Shipper Reviews. *73 FR 57058*. October 1, 2008.

[A-570-904] Certain Activated Carbon from the People's Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review. *73 FR 57058-57059*. October 1, 2008.

[A-588-837] Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Japan: Resumption of Reconsideration of Sunset Review. *73 FR 57059-57060*. October 1, 2008.

Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part *73 FR 56795-56797*, September 30, 2008.

[A-588-046] Polychloroprene Rubber From Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent To Revoke Antidumping Duty Finding, in Part. *73 FR 56548-56550*. September 29, 2008.

[C-570-942] Certain Kitchen Appliance Shelving and Racks from the People's Republic of China: Notice of Postponement of Preliminary Determination in the Countervailing Duty Investigation. *73 FR 56550*. September 29, 2008.

[C-423-809] Stainless Steel Plate in Coils from Belgium: Extension of Time Limit for the Final Results of the Eighth Countervailing Duty Administrative Review. *73 FR 56554*. September 29, 2008.

[A-570-831] Fresh Garlic from the People's Republic of China: Final Results and Rescission, In Part, of Twelfth New Shipper Reviews. *73 FR 56550-56553*. September 29, 2008.

[A-570-832] Pure Magnesium From the People's Republic of China: Extension of Time for the Final Results of the Antidumping Duty Administrative Review. 73 FR 56553. September 29, 2008.

[A-401-808] Purified Carboxymethylcellulose from Sweden: Notice of Rescission of Antidumping Duty Administrative Review. 73 FR 56553-56554. September 29, 2008.

International Trade Commission

[Investigation No. 332-500] Advice Concerning Possible Modifications to the U.S. Generalized System of Preferences, 2008 Review of Additions and Removals 73 FR 57650-57651, October 3, 2008.

[Investigation Nos. 701-TA-451; 731-TA-1126-1127 (Final)] In the Matter of: Lightweight Thermal Paper From China and Germany Notice of Commission Determination To Conduct a Portion of the Hearing In Camera 73 FR 57651-57652, October 3, 2008.

[Investigation No. 337-TA-571] In the Matter of Certain L-Lysine Feed Products, Their Methods of Production and Genetic Constructs for Production; Notice of Commission Determination (1) To Review and Not Take a Position on Certain Issues in the Final Initial Determination of the Administrative Law Judge and (2) Not To Review the Remainder of the Final Initial Determination; Termination of the Investigation 73 FR 57652-57653, October 3, 2008.

[Investigation No. 337-TA-571] In the Matter of Certain L-Lysine Feed Products, Their Methods of Production and Genetic Constructs for Production; Notice of Commission Determination (1) To Review and Not Take a Position on Certain Issues in the Final Initial Determination of the Administrative Law Judge and (2) Not To Review the Remainder of the Final Initial Determination; Termination of the Investigation 73 FR 57653-57654, October 3, 2008.

[Investigation No. 731-TA-1123 (Final)] Steel Wire Garment Hangers From China Determination 73 FR 57654, October 3, 2008.

[Investigation No. 337-TA-574] In the Matter of Certain Equipment for Telecommunications or Data Communications Networks, Including Routers, Switches, and Hubs, and Components Thereof; Notice of Commission Determination Not To Review an Initial Determination Granting a Joint Motion To Terminate the Investigation Based on a Settlement Agreement 73 FR 57652, October 3, 2008.

[Investigation No. 731-TA-1022 (Review)] Refined Brown Aluminum Oxide From China. 73 FR 57149-57151. October 1, 2008.

[Investigation No. 337-TA-647] In the Matter of Certain Hand-Held Meat Tenderizers; Notice of Decision Not To Review an Initial Determination Terminating the Investigation Based on the Withdrawal of the Complaint 73 FR 56866-56867, September 30, 2008.

Federal Trade Commission

[File No. 082 3095] Bioque Technologies, Inc., et al.; Analysis of Proposed Consent Order to Aid Public Comment 73 FR 57625-57627, October 3, 2008.

[File No. 082 3116] Daryl C. Jenks, d/b/a Premium Essiac Tea 4less; Analysis of Proposed Consent Order to Aid Public Comment *73 FR 57627-57628*, October 3, 2008.

[File No. 082 3119] Holly A. Bacon, d/b/a Cleansing Time Pro; Analysis of Proposed Consent Order to Aid Public Comment *73 FR 57628-57629*, October 3, 2008.

Export-Import Bank

Sunshine Act Meeting. *73 FR 56583*. September 29, 2008.

Census Bureau

2010 Census Advisory Committee *73 FR 56791*, September 30, 2008.

The Week Ahead

- Today, October 7, the ITC held a hearing on a five-year sunset review of antidumping duty orders on Ferrovandium from China and South Africa