



# WASHINGTON MONITOR

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## Contents

### Trade Briefs

- American Recovery and Reinvestment Act Finalized

### Dumping Watch

- Final Results in Review of CVD Order on Korean DRAMS

### The Week Ahead

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## Trade Briefs

### American Recovery and Reinvestment Act Finalized

Last week, President Barack Obama signed the American Recovery and Reinvestment Act (ARRA), a stimulus package totaling nearly \$800 billion in spending and tax cuts designed to give a boost to the struggling American economy. The ARRA contains some trade related items, including a revised Buy American provision, Trade Adjustment Assistance (TAA) reform, and a protection for companies that had wrongfully benefited from Byrd Amendment disbursements.

The Buy American provision was one of the most controversial aspects of the stimulus bill as it was being debated. Many feared that including such a provision would induce other countries to adopt retaliatory trade policies, thereby injuring the very domestic manufacturers Buy American was meant to aid. In the end, the final ARRA legislation contains a Buy American provision that is very close to the provision included in the Senate version of the bill.

As in the Senate version, the final Buy American provision mandates domestic procurement for all iron, steel, and manufactured goods used in construction of infrastructure and for public works. The House version only applied to iron and steel, and inclusion of a requirement for manufactured goods significantly widens the scope of the provision. It is not entirely clear, however, how a "manufactured good" will be defined.

Also, the final provision requires that this provision be applied in a way that is consistent with America's international trade agreements. This was included in the Senate version in order to assuage fears that the provision would spark trade wars with other countries.

One change to the Senate version of the provision is that it no longer restricts Buy American to airports, bridges, and roads, apparently allowing it to be applied to any public building or public work included in the stimulus.

In the end, the actual implementation of the stimulus package by the Obama Administration will likely be more important than the language of the Buy American provision. Only when stimulus-related infrastructure projects begin procurement will the true effect of the vague language become clear.

Trade Adjustment Assistance (TAA) is a government program to offer benefits to those who have lost jobs or lost wages as a result of competition from increased imports. The benefits include reemployment assistance, training, and income support. Democrats in Congress have long sought an extension and expansion of the TAA program. The final version of the stimulus bill accomplishes both, extending TAA and expanding its scope.

The ARRA extends the TAA program for two years, through December 31, 2010.

Also, the stimulus bill expands TAA, increasing the health coverage tax credit, increasing training funding, and extending TAA coverage to workers displaced by

outsourcing to countries that do not have free trade agreements (FTAs) with the U.S., including China.

Republicans had hoped to tie the passage of TAA reform to ratification of one or all of the pending FTAs, but now they have clearly lost this valuable bargaining chip.

Finally, the ARRA legislation prevents Customs and Border Protection (CBP) from demanding repayment of duties from U.S. companies that had previously benefited from Byrd Amendment disbursements. The Court of International Trade found that companies illegally received \$90 million from redirected antidumping (AD) duties, and therefore must remunerate the CBP. However, there were fears that this demand would result in job losses, as companies have already taken the money and spent it or reinvested it. Therefore, the stimulus protects them from having to return any money they received from CBP.

## Dumping Watch

### Final Results in Review of CVD Order on Korean DRAMS

On February 17, the Department of Commerce (DOC) gave notice that it had reached a final determination in the administrative review of the countervailing duty (CVD) order against Korean dynamic random access memory semiconductors (DRAMS). The DOC's final results for one respondent, Hynix Semiconductor Inc. (Hynix), were the same as the preliminary results.

In August 2003, the DOC issued a CVD order against DRAMS from Korea. In July 2008, the DOC initiated a five-year sunset review of this order and solicited responses from domestic producers of these semiconductors. As a result of a preliminary review, the DOC found a net subsidy rate for Hynix of 4.91%. In response, the DOC received a case brief from a petitioner, Micron Technology Inc. (Micron), and a rebuttal from Hynix. After subsequent supplemental requests and submissions, the DOC reached final results, finding that the final net subsidy rate for Hynix remains at 4.91%.

### Federal Register Notices

#### *International Trade Administration*

**[A-580-809] Circular Welded Non-Alloy Steel Pipe from the Republic of Korea:**

Rescission of Antidumping Duty New Shipper Review *74 FR 8053-8054*, February 23, 2009.

**[A-580-807] Polyethylene Terephthalate Film, Sheet, and Strip from the Republic of**

**Korea:** Extension of the Time Limit for the Preliminary Results of the 2007/2008

Administrative Review *74 FR 8054*, February 23, 2009.

**[C-357-819, C-580-862] Ni-Resist Piston Inserts from Argentina and the Republic of**

**Korea:** Initiation of Countervailing Duty Investigations *74 FR 8054-8058*, February 23, 2009.

**[A-552-801] Certain Frozen Fish Fillets from the Socialist Republic of Vietnam:**

Rescission of Antidumping Duty Changed Circumstances Review *74 FR 7659-7660*,

February 19, 2009.

**[A-570-905] Certain Polyester Staple Fiber from the People's Republic of China:**

Extension of Time Limit for the Preliminary Results of the Administrative Review *74 FR*

*7660*, February 19, 2009.

**[A-570-806] Silicon Metal from the People's Republic of China:** Extension of Preliminary

Results of Antidumping Duty Administrative Review *74 FR 7660-7661*, February 19, 2009.

**[A-570-601] Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from**

**the People's Republic of China:** Extension of Time Limit for the Preliminary Results of the

2007-2008 Administrative Review of the Antidumping Duty Order *74 FR 7661*, February 19, 2009.

**[A-570-928] Uncovered Innerspring Units from the People's Republic of China:** Notice

of Antidumping Duty Order *74 FR 7661-7663*, February 19, 2009.

**Applications for Duty-Free Entry of Scientific Instruments** *74 FR 7588*, February 18,

2009.

**[A-201-802] Gray Portland Cement and Clinker from Mexico:** Initiation of Changed-Circumstances Review, Preliminary Results of Review, Intent to Revoke Antidumping Duty Order, and Intent to Terminate Five-year (Sunset) Review of Antidumping Duty Order *74 FR 7393-7394*, February 17, 2009.

**[A-489-501] Certain Welded Carbon Steel Pipe and Tube from Turkey:** Notice of Rescission, in Part, of Antidumping Duty Administrative Review *74 FR 7394*, February 17, 2009.

**Applications for Duty-Free Entry of Scientific Instruments** *74 FR 7394-7395*, February 17, 2009.

**[C-580-851] Dynamic Random Access Memory Semiconductors from the Republic of Korea:** Final Results of Countervailing Duty Administrative Review *74 FR 7395-7396*, February 17, 2009.

*International Trade Commission*

**[Investigation No. Singapore FTA-103-22] Certain Yarns and Fabrics FY 2009:** Effect of Modification of U.S. Singapore Free Trade Agreement Rules of Origin *74 FR 8107-8109*, February 23, 2009.

**[Investigation No. 337-TA-621] In the Matter of Certain R-134a Coolant (Otherwise Known as 1,1,1,2-Tetrafluoroethane;** Enforcement Proceeding; Order *74 FR 8106-8107*, February 23, 2009.

**[Investigation No. 337-TA-617] In the Matter of Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same;** Notice of Commission Determination To Review in Part a Final Determination Finding a Violation of Section 337; Schedule for Filing Written Submissions on the Issues Under Review and on Remedy, the Public Interest and Bonding *74 FR 7702-7703*, February 19, 2009.

**[Investigation No. 731-TA-1021 (Review)] Malleable Cast Iron Pipe Fittings From China** *74 FR 7703-7704*, February 19, 2009.

**[Investigation No. 731-TA-1140 (Final)] Uncovered Innerspring Units from China;** Determination *74 FR 7704*, February 19, 2009.

**[Inv. No. 337-TA-605] In the Matter of Certain Semiconductor Chips With Minimized Chip Package Size and Products Containing Same;** Notice of Commission Determination To Extend the Deadline for Receiving Written Submissions on Issues Relating to Violation of Section 337, Remedy, the Public Interest, and Bonding; Extension of the Target Date *74 FR 7474-7475*, February 17, 2009.

*Office of the U.S. Trade Representative*

**Notice of Correction to U.S. Note 1 Subchapter XXI of Chapter 98 of the Harmonized Tariff Schedule of the United States** *74 FR 7493*, February 17, 2009.

**[Docket No. WTO/DS387] WTO Dispute Settlement Proceeding Regarding China--** Grants, Loans and Other Incentives *74 FR 7494-7497*, February 17, 2009.

**[Docket No. WTO/DS384 and WTO/DS386] WTO Dispute Settlement Proceeding Regarding United States--**Certain Country of Origin Labeling Requirements *74 FR 7497-7498*, February 17, 2009.

### **The Week Ahead**

- On Wednesday, February 25, the ITC will hold a hearing on the final phase antidumping investigation into certain steel threaded rod from China.
- On Friday, February 27, the ITC will hold a hearing on its factfinding investigation into possible modifications to the U.S. Generalized System of Preferences (GSP).