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Trade Briefs

ITC Proposes Remedy in Chinese Tires 421 Case

On June 29, the International Trade Commission (ITC) announced its proposals for remedy in the Section 421 safeguard case regarding certain passenger and light truck tires from China.

On June 18, the ITC voted to affirm the petitioners' claims of injury. The vote was 4-2, with Chairman Shara L. Aranoff and Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert voting in the affirmative and Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun voting in the negative. The ITC's affirmative determination meant that the ITC believes that the subject merchandise is being imported in such high quantities that it could cause or threaten to cause a market disruption to domestic producers of like products.

On June 29, the ITC announced that it would propose a duty in addition to existing duties on Chinese imports of these tires. The remedy would last for three years, with a rate of 55% for the first year, 45% for the second year, and 35% for the third year. The ITC also suggested that the Department of Labor and the Department of Commerce (DOC) provide expedited consideration of Trade Adjustment Assistance (TAA) for the domestic producers' workers affected by these tire imports.

These proposals will be sent to President Obama and to U.S. Trade Representative (USTR) Ron Kirk, and the President will make the final decision on whether to provide remedy and on the type and amount of relief.

Vice Chairman Pearson and Commissioner Okun, who did not find market disruption in the commission vote on June 18, announced that they would submit a comment urging the President not to impose new duties and to limit his response to economic assistance through TAA.

The outcome of the remedy phase of this case will be interesting in what it reveals about President Obama's trade policy. Obama was very critical during the presidential campaign of the Bush Administration's failure to ever use the Section 421 safeguard. Now, President Obama faces a dilemma: he is being presented with an affirmative determination and recommendation for significant trade restrictions that is based on a very weak factual foundation. President Obama will thus face a significant tension between rejecting the relief or granting the relief.

Dumping Watch

DOC Rescinds Review of AD Order on Large Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe from Japan

On June 30, the Department of Commerce (DOC) gave notice that it was rescinding the administrative review of the antidumping (AD) duty order on certain large diameter carbon and alloy seamless standard, line, and pressure pipe from Japan. On July 30, 2008, the DOC gave notice that it was initiating this administrative review and said that the preliminary results were due by March 2, 2009. Four producers—JFE Steel Corporation, Nippon Steel Corporation, NKK Tubes, and Sumitomo Metal Industries, Ltd. (Sumitomo)—submitted letters to the DOC saying that they made no shipments during the period of review. Upon investigation, Customs and Border Protection (CBP) data contradicted this claim and showed evidence of entries for consumption from one of these producers: Sumitomo. Sumitomo responded that it had no knowledge of this entry. After investigation, the DOC could not prove that Sumitomo had knowledge of this entry. On May 28, 2009, the DOC notified petitioners of the respondents' claims of no shipments and the DOC's intent to rescind the review. No comments were received. Therefore, the DOC will rescind this administrative review.

Institution of Five-Year Reviews of AD Orders on SS Wire Rod from Japan, Italy, Korea, Spain, and Taiwan

On July 2, the DOC gave notice of institution of five-year reviews of AD duty orders on stainless steel wire rod (SS wire rod) from Italy, Japan, Korea, Spain, and Taiwan. On September 15, 1998, the DOC issued an AD order on SS wire rod from Italy, Japan, Korea, Spain, and Taiwan. Five-year reviews on these orders in 2004 resulted in their continuation. Now, the DOC is conducting a second round of five-year reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry. Interested parties are asked to respond to the notice of this review. Written responses to this initiation must be submitted by July 31, 2009.

Initiation of AD and CVD Investigations into Wire Decking from China

On July 2, the DOC gave notice of initiation of AD and CVD investigations into wire decking from China.

On June 5, 2009, the DOC received a petition concerning imports of Chinese wire decking alleging that these imports are being or are likely to be sold in the U.S. at less than fair value (LTFV) and that these imports materially injure or threaten material injury to a domestic industry. On July 2, the DOC announced that it finds the petition to have been filed on behalf of the domestic industry and that the petitioners have demonstrated sufficient industry support. Therefore, the DOC finds that the petition meets the requirements necessary to warrant an AD duty investigation, and such an investigation will be initiated. By July 20, the International Trade Commission (ITC) will preliminarily determine whether there is a reasonable indication that imports of Chinese wire decking materially injure or threaten to materially injure a U.S. industry. The DOC will make its preliminary determination in this AD investigation within 140 days.

On June 5, the DOC also received a second petition regarding Chinese wire decking alleging that manufacturers of this merchandise had received countervailable subsidies and that the resulting imports materially injure or threaten to materially injure a domestic industry. On July 2, the DOC announced that it will initiate a CVD investigation into imports of wire decking from China. As in the AD case, the DOC found that the petitioners filed the petition on behalf of the domestic industry and have demonstrated significant industry support for their CVD petition. The DOC will investigate the following programs to determine whether or not they have conferred countervailable subsidies to Chinese producers of wire decking: Loan Programs; Government Provision of Goods and Services for Less Than Adequate Remuneration (LTAR); Income and Other Direct Taxes; Indirect Tax and Tariff Exemption Programs; Grant Programs; and Preferential Income Tax Subsidies for Foreign Invested Entities (FIEs). Within 25 days of giving notice, the ITC will preliminarily determine whether there is reasonable indication of material injury to a domestic industry.

Federal Register Notices

International Trade Administration

[A-570-904] Certain Activated Carbon from the People's Republic of China: Notice of Partial Rescission of Antidumping Duty Administrative Review *74 FR 31690-31691*, July 2, 2009.

[A-475-818] Certain Pasta From Italy: Initiation and Preliminary Results of Changed Circumstances Review, and Intent To Revoke Order in Part *74 FR 31696-31698*, July 2, 2009.

[A-552-802] Frozen Warmwater Shrimp From Vietnam: Notice of Preliminary Results of Antidumping Duty Changed Circumstances Reviews *74 FR 31698-31700*, July 2, 2009.

[A-570-949] Wire Decking From the People's Republic of China: Initiation of Antidumping Duty Investigation *74 FR 31691-31696*, July 2, 2009.

[C-570-950] Wire Decking From the People's Republic of China: Initiation of Countervailing Duty Investigation *74 FR 31700-31704*, July 2, 2009.

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review *74 FR 31406-31408*, July 1, 2009.

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews *74 FR 31408-31409*, July 1, 2009.

[A-570-884] Certain Color Television Receivers From the People's Republic of China: Final Results of Sunset Review and Revocation of Order *74 FR 31409*, July 1, 2009.

Initiation of Five-year ("Sunset") Review *74 FR 31412-31413*, July 1, 2009.

[A-588-850] Certain Large Diameter Carbon and Alloy Seamless Standard, Line, and Pressure Pipe From Japan: Rescission of Antidumping Duty Administrative Review *74 FR 31249-31251*, June 30, 2009.

[A-580-810] Certain Welded Stainless Steel Pipes From the Republic of Korea: Final Results of Antidumping Duty Administrative Review *74 FR 31242-31244*, June 30, 2009.

[A-570-831] Fresh Garlic From the People's Republic of China: Initiation of New Shipper Review *74 FR 31241-31242*, June 30, 2009.

[A-570-855] Non-Frozen Apple Juice Concentrate from the People's Republic of China: Preliminary Results for the Administrative Review *74 FR 31238-31241*, June 30, 2009.

[A-570-832] Pure Magnesium From the People's Republic of China: Initiation of Antidumping Duty New Shipper Review *74 FR 31251-31252* June 30, 2009.

[A-570-890] Wooden Bedroom Furniture From the People's Republic of China: Preliminary Results of New Shipper Review *74 FR 31244-31249*, June 30, 2009.

Miami University, et al. Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes *74 FR 31251-31253*, June 30, 2009.

Princeton University, Notice of Decision on Application for Duty-Free Entry of Scientific Instruments *74 FR 31253*, June 30, 2009.

[Application No. 84-20A12] Export Trade Certificate of Review *74 FR 31253-31254*, June 30, 2009.

The Manufacturing Council: Meeting *74 FR 31011*, June 29, 2009.

International Trade Commission

[Investigation No. 731-TA-149 (Third Review)] Barium Chloride From China *74 FR 31757-31760*, July 2, 2009.

[Investigation No. 731-TA-130 (Third Review)] Chloropicrin From China *74 FR 31760-31762*, July 2, 2009.

[Investigation No. 731-TA-1047 (Review)] Ironing Tables From China *74 FR 31755-31757*, July 2, 2009.

[Investigation Nos. 731-TA-1043-1045 (Review)] Polyethylene Retail Carrier Bags From China, Malaysia, and Thailand *74 FR 31750-31752*, July 2, 2009.

[Investigation No. 731-TA-44 (Third Review)] Sorbitol From France *74 FR 31762-31765*, July 2, 2009.

[Investigation Nos. 731-TA-770-773 and 775 (Second Review)] Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, and Taiwan *74 FR 31765-31768*, July 2, 2009.

[Investigation No. 731-TA-1046 (Review)] Tetrahydrofurfuryl Alcohol From China *74 FR 31752-31755*, July 2, 2009.

[Investigation No. 337-TA-631] In the Matter of Certain Liquid Crystal Display Devices and Products Containing the Same; Notice of Commission Decision To Affirm-In-Part and Reverse-In-Part a Final Initial Determination Finding a Violation of Section 337; Issuance of a Limited Exclusion Order and a Cease and Desist Order; and Termination of the Investigation *74 FR 31311-31312*, June 30, 2009.

Office of the U.S. Trade Representative

Petition Under Section 301 on Israel's Protection of Intellectual Property Rights; Decision Not To Initiate Investigation *74 FR 31789*, July 2, 2009.

The Week Ahead

- On July 10, the ITC will hold a vote on preliminary phase CVD and AD investigations into prestressed concrete wire strand and certain steel grating from China.