



WASHINGTON MONITOR

A Weekly Review of U.S. Trade Policy Developments Affecting Japan

August 25, 2009

Volume 13 Issue 34

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Trade Briefs

WTO Denies U.S. Appeal in Zeroing Case

On August 18, the World Trade Organization (WTO) gave notice that it had rejected the U.S. motion for appeal in the case regarding the U.S. policy of "zeroing" in the context of administrative reviews of antidumping (AD) duties. This particular WTO complaint was originally made by Japan because of what it alleged was WTO-inconsistent duties levied on Japanese ball bearings entering the U.S. This decision will allow Japan to impose trade sanctions on the U.S.

Zeroing is a technique for measuring dumping duties that often results in higher duties on imported products. The U.S. is the only WTO member that backs zeroing.

The U.S. had argued that its continuing use of zeroing was due to the fact that some cases had been initiated before the deadline for compliance. In these cases, the U.S. was collecting AD duties that were calculated using zeroing. Therefore, the U.S. argued, despite the fact that some duties calculated using zeroing were still in effect, it had ended the use of zeroing in newly initiated actions and was in compliance. Otherwise, the WTO would be giving "retroactive effect" to its rulings.

The WTO's Appellate Body was not convinced by this argument. They said that any use of zeroing-affected duties after the deadline for compliance would constitute noncompliance. Furthermore, they said that the logic of the U.S. argument could create a dangerous precedent for other areas, as noncompliant policies could linger.

Also, the WTO ruled in favor of Japan on the issue of scope of issues before the compliance panel. The U.S. had said that the panel's investigation was too broad as it included an administrative review that had yet to be concluded. The Appellate Body said that this administrative review may have a bearing on the case and was therefore worth inclusion.

Japan had requested the right to issue trade sanctions on the U.S. for as much as \$248.5 million a year in this case. Once the WTO adopts its final rulings, which it is expected to do at the end of this month, Japan and the U.S. can resume their arbitration over the size of Japan's retaliation.

Dumping Watch

Final Results of AD Administrative Review regarding Chinese Wooden Bedroom Furniture

On August 17, the Department of Commerce (DOC) published in the *Federal Register* notice of its final results of the administrative review of the antidumping (AD) duty order on certain wooden bedroom furniture from China. The DOC issued an affirmative determination in this case with regard to the mandatory respondent, finding that Guangdong Yihua Timber Industry Co., Ltd. (Yihua Timber) made sales in the U.S. at less than normal value. The DOC calculated a weighted-average dumping margin of 29.98% for Yihua Timber. Also, the DOC found that the remaining respondents—with the exception of Orient International Holding Shanghai Foreign Trading Co. Ltd. (Orient International)—were sufficiently independent from the PRC-entity and therefore assigned them the same rate as Yihua Timber. Orient International was given the PRC-wide rate of 216.01%. Two other groups, Golden Well International and Dongguan Sunshine Furniture Co., Ltd., were given dumping margins of 0.00%. The DOC will issue assessment instructions to Customs and Border Protection (CBP) within 15 days.

Federal Register Notices

International Trade Administration

[A-570-504] Petroleum Wax Candles from the People's Republic of China: Request for Comments on the Scope of the Antidumping Duty Order and the Impact on Scope Determinations *74 FR 42230-42232*, August 21, 2009.

[A-560-822, A-583-843, A-552-806] Postponement of Preliminary Determination of Antidumping Duty Investigations: Polyethylene Retail Carrier Bags from Indonesia, Taiwan, and the Socialist Republic of Vietnam *74 FR 42229*, August 21, 2009.

[A-552-802] Frozen Warmwater Shrimp from Vietnam: Notice of Final Results of Antidumping Duty Changed Circumstances Reviews *74 FR 42050-42051*, August 20, 2009.

[C-533-839] Carbazole Violet Pigment 23 from India: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review *74 FR 41864-41865*, August 19, 2009.

[A-580-839] Certain Polyester Staple Fiber from the Republic of Korea: Partial Rescission of Ninth Antidumping Duty Administrative Review *74 FR 41866-41867*, August 19, 2009.

Energy Efficiency Trade Mission to India (November 16-20, 2009) *74 FR 41677-41679*, August 18, 2009.

[A-570-863] Seventh Administrative Review of Honey From the People's Republic of China: Extension of Time Limit for the Preliminary Results *74 FR 41679-41680*, August 18, 2009.

[A-201-805] Final Results of Antidumping Duty Changed Circumstances Review: Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico *74 FR 41681-41682*, August 18, 2009.

[A-201-836] Final Results of Antidumping Duty Changed Circumstances Review: Light-Walled Rectangular Pipe and Tube From Mexico 74 FR 41680-41681, August 18, 2009.

[A-583-833] Polyester Staple Fiber from Taiwan: Rescission of Antidumping Duty Administrative Review in Part 74 FR 41684, August 18, 2009.

[A-570-890] Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and New Shipper Reviews 74 FR 41374-41382, August 17, 2009.

International Trade Commission

[Investigation No. NAFTA-103-024] Certain Textile Articles Containing Acrylic and Modacrylic Fibers: Effect of Modifications of NAFTA Rules of Origin for Goods of Canada 74 FR 42322-42323, August 21, 2009.

[Investigation No. NAFTA-103-023] Certain Textile Articles Containing Rayon and Other Manmade Fibers: Effect of Modifications of NAFTA Rules of Origin for Goods of Canada and Mexico 74 FR 42324-42325, August 21, 2009.

[Investigation No. 731-TA-1163 (Preliminary)] Woven Electric Blankets From China 74 FR 42323-42324, August 21, 2009.

[Inv. No. 337-TA-565] In the Matter of Certain Ink Cartridges and Components Thereof; Consolidated Enforcement Proceeding and Enforcement Proceeding II; Notice of Commission Determinations on Civil Penalties; Termination of Enforcement Proceedings 74 FR 42325-42326, August 21, 2009.

Office of the U.S. Trade Representative

Notice of Meeting of the Industry Trade Advisory Committee on Small and Minority Business (ITAC-11) 74 FR 42356, August 21, 2009.

Trade Policy Staff Committee; Public Comments on the Caribbean Basin Economic Recovery Act and the Caribbean Basin Trade Partnership Act: Report to Congress 74 FR 41374-41382, August 17, 2009.

The Week Ahead

- The ITC has no scheduled votes or hearings for the week ahead.