



WASHINGTON MONITOR

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

September 1, 2009

Volume 13 Issue 35

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The Washington Monitor is a product of the Japan Fair Trade Center in cooperation with the international trade practice of the U.S. law firm of Winston & Strawn LLP. All questions concerning its content should be addressed to:

Washington Monitor
Winston & Strawn L.L.P.
1700 K Street, N.W.
Washington, D.C. 20006
rmassony@winston.com

Trade Briefs

Obama Administration Seeking to Contain Buy American Provisions

Over the past couple months, the Obama Administration has reportedly begun to respond to concerns about the proliferation of the use of so-called “Buy American” provisions in new laws that call for government procurement. Most prominently, the Administration is seeking to assure its allies in the European Union (E.U.) and Canada that it does not seek further use of Buy American rules. The Administration appears to be drawing a line on protectionism.

Earlier this year, a Buy American provision was included in the American Recovery and Reinvestment Act (ARRA), legislation intended to stimulate the economy through, among other things, new federal spending on infrastructure and other public works. The Buy American provision prohibited the use of ARRA funds for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in that project are produced in the United States. Critics feared that the use of this kind of protective law would both directly hurt the free flow of goods across borders, there was also a concern that the provision would indirectly hurt the U.S. by inviting retaliatory laws in other countries. In particular, some worried that China would use the law as a pretense for raising further barriers to its own market. The Obama Administration officially supports the Buy American provision, and as recently as August 10 President Obama was speaking in favor of it in public. However, since its inclusion in the ARRA, Buy American provisions have appeared in other initiatives. The provision has appeared in drafts or final form of the following bills: 21st Century Green High-Performing Public School Facilities Act, the Water Quality Investment Act, the American Clean Energy and Security Act of 2009, and the Energy and Water Development Appropriations Act of 2010. The spread of the Buy American provision has worried observers who believe in liberalizing international trade, and now it appears that their fears are shared, at least in part, by the White House.

In a July 13 meeting with the E.U. Commissioner of Trade, U.S. Trade Representative (USTR) Ron Kirk said that his office was looking to limit the spread of Buy American. USTR Kirk asked the E.U. Commissioner to survey E.U.-based companies to find information on how they have been adversely affected. It is believed that this information, when compiled, could help the USTR in making its case against expansion of the current Buy American rules over other areas of U.S. federal procurement.

At this point, it is difficult to tell how intensely the Obama Administration has worked to limit the spread of Buy American. However, soon Canada and the U.S. will meet to discuss a Canadian proposal that would waive the Buy American requirements for Canadian companies in exchange for Canada's commitment to keep its provincial governments from enacting similar laws that would raise barriers to Canadian government procurement. The outcome of this meeting and the handling of Canada's proposal may indicate whether the Obama Administration's efforts to push back on the increasing use of Buy American will find any purchase.

Dumping Watch

Partial Rescission of Review of AD Order on Circular Welded Non-Alloy Steel Pipe from Korea

On August 24, the Department of Commerce (DOC) gave notice that it was partially rescinding the administrative review of the antidumping (AD) duty order on circular welded non-alloy steel pipe from Korea. In December 2008, two domestic producers—Wheatland Tube Company (Wheatland) and U.S. Steel Corporation—requested an administrative review of the AD duty order on the subject merchandise. Their request was timely, and the DOC subsequently initiated an administrative review. On July 31, Wheatland withdrew its request for a review of Kumkang Industrial Co., Ltd. (Kumkang). Wheatland is the only company that requested a review of Kumkang. On August 24, the DOC announced that it would rescind this administrative review with respect to Kumkang, despite the fact that Wheatland's request was not within the required timeframe (within 90 days of publication of notice of initiation). The DOC extended the deadline for withdrawal in this case because it had not yet dedicated extensive time and resources to the review. The DOC will issue assessment instructions to Customs and Border Protection (CBP) within 15 days.

Federal Register Notices

International Trade Administration

Application(s) for Duty-Free Entry of Scientific Instruments 74 FR 44350, August 28, 2009.

[Docket No. 0908031214-91214-01] Call for Applications for the International Buyer Program Calendar Year 2011 74 FR 44350-44352, August 28, 2009.

Notice of Scope Rulings 74 FR 43680-43683, August 27, 2009.

[A-570-890] Wooden Bedroom Furniture from the People's Republic of China: Initiation of Antidumping Duty New Shipper Reviews 74 FR 43096-43097, August 26, 2009.

[A-570-943] Oil Country Tubular Goods From the People's Republic of China: Postponement of Preliminary Determination of Antidumping Duty Investigation 74 FR 43098, August 26, 2009.

[A-570-836] Glycine from the People's Republic of China: Notice of Rescission of Antidumping Duty Administrative Review 74 FR 43098-43099, August 26, 2009.

Proposed Information Collection; Comment Request; Procedures for Importation of Supplies for Use in Emergency Relief Work 74 FR 42852, August 25, 2009.

[A-570-954, A-201-837] Certain Magnesia Carbon Bricks from the People's Republic of China and Mexico: Initiation of Antidumping Duty Investigations 74 FR 42852-42857, August 25, 2009.

[C-533-821] Hot-Rolled Carbon Steel Products from India: Extension of Time Limit for Preliminary Results of Countervailing Duty Administrative Review 74 FR 42857-42858, August 25, 2009.

[C-570-955] Certain Magnesia Carbon Bricks from the People's Republic of China: Initiation of Countervailing Duty Investigation *74 FR 42858-42861*, August 25, 2009.

Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part *74 FR 42873-82877*, August 25, 2009.

Proposed Information Collection; Comment Request; Procedures for Considering Requests and Comments From the Public for Textile and Apparel Safeguard Actions on Imports From Oman *74 FR 42648-42649*, August 24, 2009.

[A-580-809] Circular Welded Non-Alloy Steel Pipe From the Republic of Korea: Partial Rescission of Antidumping Duty Administrative Review *74 FR 42649-42650*, August 24, 2009.

International Trade Commission

[Investigation No. 337-TA-668] In the Matter of Certain Non-Shellfish Derived Glucosamine and Products Containing Same; Notice of Commission Determination To Review an Initial Determination Granting a Joint Motion To Terminate the Investigation as to Respondent Ethical Naturals, Inc. From the Investigation Based Upon a Settlement Agreement; Briefing Schedule *74 FR 44384*, August 28, 2009.

[Inv. No. 337-TA-684] In the Matter of Certain Articulated Coordinate Measuring Arms and Components Thereof; Notice of Investigation *74 FR 44384-44385*, August 28, 2009.

[Investigation No. 337-TA-619] In the Matter of: Certain Flash Memory Controllers, Drives, Memory Cards, and Media Players and Products Containing Same; Notice of Commission Determination To Review in Part A Final Determination Finding No Violation of Section 337; Schedule for Filing Written Submissions on the Issues Under Review and on Remedy, the Public Interest and Bonding *74 FR 44382-44384*, August 28, 2009.

[Inv. No. 337-TA-683] In the Matter of Certain MLC Flash Memory Devices and Products Containing Same; Notice of Investigation *74 FR 43723-43724*, August 27, 2009.

[Investigation No. AA1921-167 (Third Review)] Pressure Sensitive Plastic Tape From Italy *74 FR 43155-43156*, August 26, 2009.

Office of the U.S. Trade Representative

Andean Trade Preference Act (ATPA); Notice Regarding the 2009 Annual Review *74 FR 43213-43214*, August 26, 2009.

The Week Ahead

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