



# WASHINGTON MONITOR

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

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## Contents

### Trade Briefs

- New Democrats Join to Condemn Japan's "Cash-for-Clunkers" Program

### Dumping Watch

- Time Limit Extended for AD Reviews regarding Ball Bearings from Japan, France, Germany, Italy, and the United Kingdom

### The Week Ahead

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## Trade Briefs

### New Democrats Join to Condemn Japan's "Cash-for-Clunkers" Program

On January 15, a group of Democratic congressmen who call themselves the New Democrat Coalition signed a letter to Japan's Ambassador to the U.S., Ichiro Fujisaki, asking that Japan change its "cash-for-clunkers" program so that it benefits imported vehicles as well as Japanese-made vehicles. The letter is brief and blunt, claiming that Japan's vehicle scrappage program fails to follow the U.S. vehicle scrappage program in allowing all global automakers to benefit from vehicle purchase incentives.

This complaint is not new, as various Democratic congressmen have expressed their disapproval of Japan's program. However, the source of the complaint is a noteworthy development, as this is the first time that the complaint has gone beyond the so-called "Rust Belt."

As described in the *Washington Monitor* on December 22, 2009, Japan's program is similar to the U.S. "cash-for-clunkers" program. Japan's program is similar in that it allows consumers to trade in vehicles 13 years old and older in exchange for tax rebates toward the purchase of new vehicles. However, some believe that it favors Japanese autos over imports. Japan's cash-for-clunkers program has a strict fuel economy standard for new vehicles purchased under the program. The fuel economy standard is judged according to vehicles' certification by Japan. U.S. vehicles enter the Japanese market under a preferential handling program (PHP) that allows them to be sold under a lower emission standard and does not certify their fuel economy. Therefore, American-made vehicles do not qualify for the tax benefit, and some American lawmakers have complained.

Until now, complaints have only come from the Rust Belt's representatives in the Congress. The Rust Belt, also known as the Manufacturing Belt, covers much of Michigan, Indiana, Ohio, Pennsylvania, as well as parts of Minnesota, Illinois, New York, and West Virginia. It is the area hit hardest by the economic crisis and the area that has experienced the most acute losses of economic activity due to the transition toward foreign manufacturing. Labor unions are very potent politically in this region, and the pains of the U.S. auto industry have directly affected the local economies there. For these reasons, Rust Belt congressmen were the first to mount an attack on Japan's policy, which they see as unfair.

The New Democrat Coalition, which signed this recent letter to Japan's Ambassador, is a "centrist" group of Democrats. They organized as a response to Democrats' severe losses in elections in the 1980s, advocating a third way that sympathized with more conservative social values and promoted more free market economic policies. President Bill Clinton's election was seen by many as the embodiment of the New Democrats' vision for the future of the Democratic Party. With regard to trade, the New Democrats supported the North American Free Trade Agreement (NAFTA) and are believed to be among the strongest Democratic supporters of liberalized trade policies. Therefore, their complaint over Japan's cash-for-clunkers program is significant, as it shows that there is more than the usual political momentum behind the position.

## Dumping Watch

### Time Limit Extended for AD Reviews regarding Ball Bearings from Japan, France, Germany, Italy, and the United Kingdom

On January 14, the Department of Commerce (DOC) gave notice that it had extended the time limit for the preliminary results in the administrative reviews of the antidumping (AD) duty orders on ball bearings and parts thereof from France, Germany, Italy, Japan, and the United Kingdom. The DOC determined that it was not practicable to complete these reviews within the original time limit of 245 days. Therefore, the DOC has extended the time limit for these reviews by 73 days, and the preliminary results are now due on April 15, 2010.

### Federal Register Notices

#### *International Trade Administration*

**[A-549-502] Circular Welded Carbon Steel Pipes and Tubes from Thailand:** Court Decision Not in Harmony with Final Results of Administrative Review *75 FR 2487*, January 15, 2010.

**[A-570-909] Certain Steel Nails from the People's Republic of China:** Notice of Preliminary Results of the New Shipper Review *75 FR 2483-2486*, January 15, 2010.

**[A-580-836] Certain Cut-to-Length Carbon-Quality Steel Plate from the Republic of Korea:** Extension of the Final Results of Antidumping Duty Administrative Review *75 FR 2107-2108*, January 14, 2010.

**[A-570-832] Pure Magnesium from the People's Republic of China:** Extension of Time for the Preliminary Results of the Antidumping Duty Administrative Review *75 FR 2108*, January 14, 2010.

**[A-427-801, A-428-801, A-475-801, A-588-804, A-412-801] Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom:** Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Reviews *75 FR 2108-2109*, January 14, 2010.

**[A-570-847] Persulfates From the People's Republic of China:** Notice of Rescission of the 2008-2009 Administrative Review of the Antidumping Duty Order *75 FR 2112-2113*, January 14, 2010.

**[A-489-815] Light-Walled Rectangular Pipe and Tube from Turkey:** Extension of Time Limits for Preliminary Results of Antidumping Duty Administrative Review *75 FR 1751-1752*, January 13, 2010.

**[A-570-945] Prestressed Concrete Steel Wire Strand From the People's Republic of China:** Postponement of Final Determination *75 FR 1755*, January 13, 2010.

**[A-570-806] Silicon Metal from the People's Republic of China:** Final Results and Partial Rescission of Antidumping Duty Administrative Review *75 FR 1592-1595*, January 12, 2010.

**[A-570-949] Wire Decking from the People's Republic of China:** Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination *75 FR 1597-1608*, January 12, 2010.

**Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review** 75 FR 1333-1335, January 11, 2010.

[Application No. 88-11A16] **Export Trade Certificate Of Review** 75 FR 1335, January 11, 2010.

[A-583-008] **Circular Welded Carbon Steel Pipes and Tubes from Taiwan;** Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review 75 FR 1335-1336, January 11, 2010.

[A-570-905] **First Administrative Review of Certain Polyester Staple Fiber From the People's Republic of China:** Final Results of Antidumping Duty Administrative Review 75 FR 1336-1338, January 11, 2010.

[A-570-891] **Hand Trucks and Certain Parts Thereof from the People's Republic of China:** Preliminary Results of Antidumping Duty Administrative Review and Rescission in Part 75 FR 1339-1344, January 11, 2010.

[C-533-821] **Certain Hot-Rolled Carbon Steel Flat Products From India:** Preliminary Results of Countervailing Duty Administrative Review 75 FR 1496-1524, January 11, 2010.

*International Trade Commission*

[Investigation No. 337-TA-641] **In the Matter of Certain Variable Speed Wind Turbines and Components Thereof;** Termination of Investigation With Final Determination of No Violation 75 FR 2159-2160, January 14, 2010.

*Office of the U.S. Trade Representative*

**2010 Special 301 Review: Identification of Countries Under Section 182 of the Trade Act of 1974:** Request for Public Comment and Announcement of Public Hearing 75 FR 2578-2580, January 15, 2010.

### **The Week Ahead**

- On January 18, the ITC will be closed for the Martin Luther King, Jr. holiday.
- On January 21, the ITC will hold a preliminary conference on the AD and CVD investigations into drill pipe from China.