Anatomy of A Trade Case

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Existing AD-CVD Orders

Product Group	Total
Agricultural & related	22
Chem & pharmaceutical	48
Iron & Steel (mill products)	75
Iron & Steel casting/other	44
Iron & steel pipe	42
Machinery & Miscellaneous	59
Metals and minerals	24
Plastics, rubber	11
Textiles&Apparel	3
Grand Total	328

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Countries with Existing Orders

Count of AD and CVD orders by Country			
Country	AD	CVD	Grand Total
China	98	32	130
India	15	8	23
Taiwan	21	1	22
Korea	15	3	18
Japan	15		15
Vietnam	9	3	12
Indonesia	8	3	11
Turkey	5	5	10
Mexico	10		10
Brazil	7	2	9
Thailand	7	1	8
Italy	6	1	7
Russia	6		6
Ukraine	5		5
South Africa	3	1	4
Germany	4		4
Malaysia	4		4
Iran	1	2	3
Spain	3		3
United Arab Emirates	2		2

The 101: How A Case Starts

US Industry, Association or Union see several factors.

- Rise in imports of a product
- Decrease in profitability
- Lost orders
- Reduced hours, wages, or lay-offs
- Products being sold at less than cost to produce

The 101: How A Case Starts

An interested party may file an antidumping or countervailing duty petition with Commerce and the Commission alleging that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports that are being, or are likely to be, sold in the United States at less than fair value ("LTFV") or by reason of imports that are being subsidized by the governments of one or more countries.

The 101: Antidumping (AD)

When a foreign producer sells a product in the US market below that producer's sale price in the country of origin, or at a price lower than cost of production. AKA DUMPING

Foreign Company cost of Production

$100

Foreign Company sells product in US

$90

Dumping margin

$10

Department of Commerce determines the dumping margin

The 101: Subsidies (Countervailing Duties)

Countervailable subsidies entail a government making, or directing a private entity to make: (1) a financial contribution; (2) that provides a benefit; (3) to a specific industry or group of industries, or is export contingent.

Examples: cash grants, discounted energy, free land, interest-free loans, tax credits for exports

Department of Commerce determines the Countervailing Duty (CVD) margin

The 101: US agencies involved in an AD/CVD trade case

International Trade Commission (ITC)

US Customs and Border Protection (Customs)

Department of Commerce International Trade Administration (DOC)

The 101: The PHASES

There are two phases in an AD/CVD investigation.

Preliminary

DOC: Determines if petition has elements necessary to continue.

ITC: Determines if there is a threat of injury from imports. There is a **staff conference** and then an ITC vote.

DOC: On affirmative ITC vote continues investigation and provides **Preliminary Margins**.

The 101: The PHASES

There are two phases in an AD/CVD investigation.

Final

DOC: Continues investigation after preliminary margins to provide **Final Margins**.

ITC: Reviews all materials, has a final hearing and then has a final vote shortly after.

Example: Imports of Off the Road Tires from India and Sri Lanka

EVENT	AD INVESTIGATIONS	CVD INVESTIGATIONS
Petitions Filed	January 8, 2016	January 8, 2016
DOC Initiation Date	February 3, 2016	February 3, 2016
ITC Preliminary Determinations	February 22, 2016	February 22, 2016
DOC Preliminary Determinations	June 22, 2016	April 8, 2016
DOC Final Determinations	September 6, 2016	June 22, 2016
ITC Final Determinations	October 20, 2016	August 8 , 2016
Issuance of Orders	October 27, 2016	August 15, 2016

Points of Influence

We Do	They Do
• Bring USW members to ITC Staff Conference & Hearings	• Bring Ambassadors to testify in opposition
• Bring supportive suppliers	• Testify in front of ITC
• Write the DOC	• Contact USTR and State Department
• Encourage members of Congress to write DOC & ITC	• Encourage importers and sympathetic industries to testify
• Inform the Administration (Whitehouse & USTR)	• Encourage members of Congress to oppose tariffs

Effects and Results When We Win

When final duties are assessed. All paid duties go into general US Treasury fund.

Order is valid for 5 years, renewable in 5 year increments if petitioner can show that return of unfairly traded imports & injury is likely if order is revoked.

(Sunset Review)

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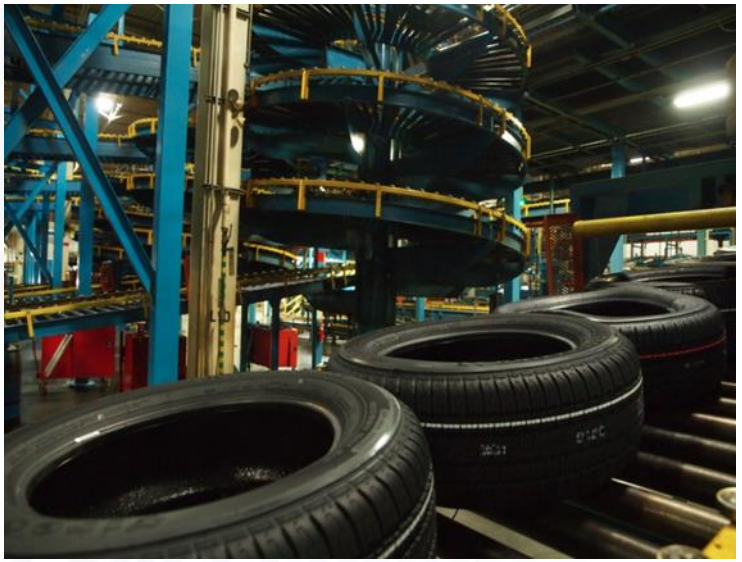
Effects and Results When We Win

PVLT tires: Imports from China were essentially cut in half from the first half of 2014.



Changes in Law

USW and Industry Successful in Making Most Significant Changes to AD/CVD Law in Over 20 Years

Level the Playing Field Act: PASSED

- Increases the number of factors the ITC considers in evaluating injury to domestic companies, as well as to the period of time analyzed.

- Codify existing agency practices regarding Commerce's application of adverse inferences wherever a mandatory respondent does not cooperate with the agency's investigation

- clarify that Commerce has the authority to determine whether to investigate voluntary respondents in the course of an AD/CVD investigation

2016 Primary Trade Enforcement Cases

Aluminum

- Aluminum Extrusion Sunset Review

Paper

- Coated Paper Sunset Review

Rubber

- Off the Road Tire Petition
- Bus & Truck Petition

Steel

- Cut to Length (plate)
- Corrosion-Resistant Steel (CORE)
- Cold-Rolled Steel
- Hot-Rolled Steel

Next Steps: Global Dialogue

The World Trade Organization: An intergovernmental organization which regulates international trade.

- Issues with how Panelists are Selected
  - 52% of WTO panelist positions (313 out of a total of 603) are nationals from countries considered in the WTO as “developing”
- Recent Rulings Against U.S.
  - Washing Machines from S. Korea
  - COOL

Next Steps: Global Dialogue

Organization for Economic Co-operation and Development (OECD): Global Steel Talks

Dialogue last week failed to reach an accord because China refused to cooperate.

Quote from Chinese State News Agency

"Upon closer inspection, however, it's just a lame and lazy excuse for protectionism,"

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Questions?