

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. TA-421-4

CERTAIN DUCTILE IRON WATERWORKS FITTINGS FROM CHINA

DETERMINATION

On the basis of information developed in the subject investigation, the United States International Trade Commission determines, pursuant to section 421(b)(1) of the Trade Act of 1974,¹ that certain ductile iron waterworks fittings² from the People's Republic of China are being imported into the United States in such increased quantities or under such conditions as to cause market disruption to the domestic producers of like or directly competitive products (68 FR 69421, December 12, 2003).

RECOMMENDATIONS ON PROPOSED REMEDIES

Chairman Deanna Tanner Okun, Commissioner Stephen Koplan, Commissioner Charlotte R. Lane, and Commissioner Daniel R. Pearson propose that the President impose a tariff-rate quota on imports of the subject ductile iron waterworks fittings from China as follows: in the first year, a tariff of 50 percent *ad valorem*, in addition to the current rate of duty, on imports over 14,324 short tons; in the second year, a tariff of 40 percent *ad valorem*, in addition to the current rate of duty, on imports that exceed 15,398 short tons; and in the third year of relief, a tariff of 30 percent *ad valorem*, in addition to the current rate of duty, on imports that exceed 16,553 short tons. They further recommend that, if applications are filed, the President direct the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.

Vice Chairman Jennifer A. Hillman proposes that the President impose a quota, for a three-year period, on imports of the subject ductile iron waterworks fittings from China as follows: 14,324 short tons in the first year of relief, 15,398 short tons in the second year of relief, and 16,553 short tons in the third year of relief.

Commissioner Marcia E. Miller proposes that the President impose a duty, in addition to the current rate of duty, for a three-year period, on imports of the subject ductile iron waterworks fittings from China as follows: 50 percent *ad valorem* in the first year of relief, 40 percent *ad valorem* in the second year of relief, and 30 percent *ad valorem* in the third year of relief.

BACKGROUND

¹ 19 U.S.C. § 2451(b)(1).

² The products subject to this investigation are cast pipe or tube fittings of ductile iron (containing 2.5 percent carbon and over 0.02 percent magnesium or magnesium and cerium, by weight) with mechanical, push-on (rubber compression) or flanged joints attached. Included within this definition are fittings of all nominal diameters and of both full-bodied and compact designs. The imported products are provided for in statistical reporting number 7307.19.3070 of the Harmonized Tariff Schedule of the United States (HTS).

Following receipt of a petition, on September 5, 2003, on behalf of McWane, Inc.,³ Birmingham, AL, the Commission instituted investigation No. TA-421-4, *Certain Ductile Iron Waterworks Fittings from China*, under section 421(b) of the Act to determine whether certain ductile iron waterworks fittings from China are being imported into the United States in such increased quantities or under such conditions as to cause market disruption to the domestic producers of like or directly competitive products. The petition also alleged under section 421(i)(1)(A) of the Act, that critical circumstances exist with respect to imports of the subject product from China, and on October 20, 2003, the Commission made a negative determination^{4 5} with respect to whether delay in taking action under this section would cause damage to the relevant domestic industry which would be difficult to repair (68 *FR* 61013, October 24, 2003).

Notice of the institution of the Commission's investigation and of the scheduling of a public hearing to be held in connection therewith was given by posting a copy of the notice on the Commission's website (www.usitc.gov) and by publishing the notice in the *Federal Register* of September 15, 2003 (68 *FR* 54010). The hearing was held on November 6, 2003 in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

The views of the Commission are contained in USITC Publication 3657 (December 2003), entitled *Certain Ductile Iron Waterworks Fittings from China: Investigation No. TA-421-4*.

By order of the Commission.

Marilyn R. Abbott
Secretary to the Commission

Issued: December 24, 2003

³ McWane operates three subsidiaries that produce the subject products including: Clow Water Systems Co., Coshocton, OH; Tyler Pipe Co., Tyler, TX; and Union Foundry Co., Anniston, AL.

⁴ Commissioner Lane made an affirmative critical circumstances determination.

⁵ Commissioner Pearson did not participate in the critical circumstances determination.