

THE UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:)
)
 CIRCULAR WELDED NON-ALLOY) Investigation No.:
 STEEL PIPE FROM CHINA) TA-421-6
) (Remedy)

Tuesday,
 October 11, 2005

Room 101
 U.S. International
 Trade Commission
 500 E Street, SW
 Washington, D.C.

The Commission Meeting commenced, pursuant to notice, at 2:00 p.m., before the Commissioners of the United States International Trade Commission, the Honorable STEPHEN KOPLAN, Chairman, presiding.

APPEARANCES:

On behalf of the International Trade Commission:Commissioners:

STEPHEN KOPLAN, CHAIRMAN (presiding)
 DEANNA TANNER OKUN, VICE CHAIRMAN
 JENNIFER A. HILLMAN, VICE CHAIRMAN (via telephone)
 CHARLOTTE R. LANE, COMMISSIONER
 DANIEL R. PEARSON, COMMISSIONER
 SHARA L. ARANOFF, COMMISSIONER

APPEARANCES (continued):

Staff:

MARILYN R. ABBOTT, SECRETARY TO THE COMMISSION
WILLIAM R. BISHOP, HEARINGS AND MEETINGS
COORDINATOR

FRED RUGGLES, INVESTIGATOR
CATHERINE DeFILIPPO, ECONOMIST
MARY KLIR, ACCOUNTANT
WILLIAM GEARHART, ATTORNEY
DIANE MAZUR, SUPERVISORY INVESTIGATOR

I N D E X

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Meeting called to order	4
Agenda for Future Meetings: none	4
Minutes: October 3, 2005	4
Ratification List: 05-020	4
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Outstanding Action Jackets: none	4

P R O C E E D I N G S

(2:00 p.m.)

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3 CHAIRMAN KOPLAN: Good afternoon. This
4 meeting of the U.S. International Trade Commission
5 will please come to order.

6 Madam Secretary, I understand that
7 Commissioner Hillman is participating by telephone
8 today.

9 MS. ABBOTT: That is correct, Mr. Chairman.

10 CHAIRMAN KOPLAN: Thank you. I understand
11 there is no agenda for future meetings or outstanding
12 action jackets to consider. Are there any objections
13 to approval of the minutes of October 3, 2005, and
14 Ratification List 05-020?

15 (No response.)

16 CHAIRMAN KOPLAN: Hearing none, they are
17 approved.

18 We will now turn to the briefing and vote in
19 Investigation No. TA-421-6, (Remedy) Circular Welded
20 Non-Alloy Steel Pipe from China. Welcome to Ms. Mazur
21 and the staff who assisted in this investigation.

22 Are there any questions for the staff?

23 (No response.)

24 CHAIRMAN KOPLAN: I would note that there is
25 no staff report to approve. I also note that,

1 pursuant to Section 421(f), only those members of the
2 Commission who agreed to the determination under
3 subsection (b) are eligible to vote on the proposed
4 action to prevent or remedy market disruption.

5 Madam Secretary, will you please call the
6 roll?

7 MS. ABBOTT: Commissioner Lane?

8 COMMISSIONER LANE: In accordance with
9 Section 421 of the Trade Act of 1974, I have
10 determined that imports of circular welded non-alloy
11 steel pipe from China are being imported into the
12 United States in such increased quantities that they
13 are causing market disruption to the domestic
14 producers of such pipe. Under Section 421(f) of the
15 Act, I have the responsibility of recommending actions
16 which will remedy the market disruption.

17 In making this recommendation, I have
18 considered relevant factors, including domestic and
19 foreign production capacity and capacity utilization;
20 present and projected demand for subject pipe; the
21 quantity of subject imports; pricing impacts;
22 elasticities of supply, demand, and substitution; and
23 the material injury to the domestic industry,
24 including the drop in employment levels experienced by
25 production and production-related workers in the

1 industry.

2 Effective March 2002, the president imposed
3 temporary import relief on certain steel products,
4 including subject pipe. Prior to the imposition of
5 that import relief, subject imports were 163,866 short
6 tons in 2000 and 157,035 short tons in 2001. Those
7 levels of subject imports represented 6.4 percent of
8 the domestic market in 2000 and 6.8 percent in 2002.

9 While the market share of subject imports
10 was 6.8 percent in the first half of 2004, it
11 increased to 15.7 percent in the second half of 2004
12 and to 16.6 percent in the first half of 2005.

13 I have determined that the action necessary
14 to remedy the market disruption caused by rapidly
15 increasing subject imports is to limit those imports
16 to levels that were experienced in 2000 and 2001.

17 Therefore, I am recommending that the
18 president impose an annual quota of 160,000 short tons
19 on imports of circular welded non-alloy steel pipe
20 from China. I further recommend that the quota be
21 imposed for a period of three years. An annual quota
22 of 160,000 short tons represents the average of the
23 2000 and 2001 level of subject imports, and based on
24 recent domestic consumption data, will allow subject
25 imports to maintain a market share that is close to

1 their 2000 and 2001 levels.

2 Finally, if applications are filed, I
3 recommend that the president direct the United States
4 Department of Labor and the United States Department
5 of Commerce to provide expedited consideration of
6 trade adjustment assistance for firms and/or workers
7 that are affected by subject imports.

8 MS. ABBOTT: Commissioner Aranoff?

9 COMMISSIONER ARANOFF: Having earlier
10 determined that certain welded non-alloy steel pipe
11 from the People's Republic of China is being imported
12 into the United States in such increased quantities or
13 under such conditions as to threaten to cause market
14 disruption to the domestic producers of a like
15 product, I must now propose the amount of import
16 relief necessary to prevent market disruption.

17 In this investigation, I recommend the
18 imposition of a tariff rate quota for a three-year
19 period on imports of the subject welded non-alloy
20 steel pipe from China. I propose that such imports be
21 subject to a tariff rate quota with the within-quota
22 quantity set at a level of 267,468 short tons in the
23 first year of relief and increasing by a rate of 5
24 percent in the second and 10 percent in the third year
25 of relief.

1 The proposed tariff rate quota is based on
2 2004 imports from China. Imports over these quota
3 levels will be subject to an ad valorem tariff of 25
4 percent. A tariff rate quota at this level should
5 prevent the domestic industry from experiencing the
6 market disruption that I have found to be imminent in
7 light of the rapid increase in subject imports.

8 Finally, if applications are filed, I
9 recommend that the president direct the U.S.
10 Department of Commerce and the U.S. Department of
11 Labor to provide expedited consideration of any
12 petitions for trade adjustment assistance filed by
13 firms or workers affected by the subject imports.

14 MS. ABBOTT: Commissioner Koplan?

15 CHAIRMAN KOPLAN: I concur with the remedy
16 recommendation of Commissioner Lane, and I also concur
17 with the reasons for that remedy recommendation.

18 MS. ABBOTT: Commissioner Hillman?

19 COMMISSIONER HILLMAN: I concur with the
20 remedy recommendation of Commissioner Aranoff in
21 proposing a quota at the 2004 level of 267,468 short
22 tons, with that quota increasing by 5 percent in the
23 second year, 10 percent in the third year, with
24 imports above the quota level subject to a 25 percent
25 ad valorem tariff.

1 MS. ABBOTT: Mr. Chairman, the Commissioners
2 have announced their recommendations on remedy in this
3 remedy phase.

4 CHAIRMAN KOPLAN: Thank you, Madam
5 Secretary.

6 Further information regarding this
7 determination will be in a press release. The
8 Commissioners' recommendations on remedy are currently
9 scheduled to be transmitted to the president and the
10 United States Trade Representative on or before
11 October 21, 2005.

12 Before we adjourn this meeting, I understand
13 the vice chairman has a statement that she wishes to
14 make. I now call on the vice chairman.

15 VICE CHAIRMAN OKUN: Thank you, Mr.
16 Chairman. I make the following statement regarding
17 remedy on behalf of myself and Commissioner Dan
18 Pearson.

19 Section 421(f) instructs the Commission to
20 propose the amount of increase in or imposition of any
21 duty or other import restrictions necessary to prevent
22 or remedy market disruption. The same section also
23 states, and I quote: "Members of the Commission who
24 did not agree to the affirmative determination may
25 submit in the report" to the president and the U.S.

1 Trade Representative separate views regarding what
2 action, if any, should be taken to prevent or remedy
3 market disruption.

4 While we did not find market disruption to
5 exist, we intend to submit views on this matter, as
6 has been done previously under Section 421
7 investigations. Thank you, Mr. Chairman.

8 CHAIRMAN KOPLAN: Certainly. I want to
9 thank the staff that assisted us in this
10 investigation. I understand there is no other
11 business before the Commission. Therefore, this
12 meeting is adjourned.

13 (Whereupon, at 2:10 p.m., the Commission
14 meeting was adjourned.)

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CERTIFICATION OF TRANSCRIPTION

TITLE: (Remedy) (Circular Welded Non-Alloy
Steel Pipe from China)

INVESTIGATION NO.: TA-421-6

HEARING DATE: October 11, 2005

LOCATION: Washington, D.C.

NATURE OF HEARING: Commission Meeting

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

DATE: 10/11/05

SIGNED: LaShonne Robinson
Signature of the Contractor or the
Authorized Contractor's Representative
1220 L Street, N.W. - Suite 600
Washington, D.C. 20005

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceeding(s) of the U.S. International Trade Commission, against the aforementioned Court Reporter's notes and recordings, for accuracy in transcription in the spelling, hyphenation, punctuation and speaker-identification, and did not make any changes of a substantive nature. The foregoing/attached transcript is a true, correct and complete transcription of the proceeding(s).

SIGNED: Carlos Gamez
Signature of Proofreader

I hereby certify that I reported the above-referenced proceeding(s) of the U.S. International Trade Commission and caused to be prepared from my tapes and notes of the proceedings a true, correct and complete verbatim recording of the proceeding(s).

SIGNED: Erica Fouche
Signature of Court Reporter