



Enforcing Orders and Reducing Circumvention and Evasion (ENFORCE) Act White Paper September 2015

I. Summary

The **Enforcing Orders and Reducing Circumvention and Evasion (ENFORCE) Act** was designed to improve enforcement of US trade laws by increasing transparency and timely investigations of allegations of evasion of antidumping and countervailing duty orders (collectively, AD/CVD orders).

This trade enforcement legislation does not alter the existing powers and authority of US Customs and Border Protection (CBP), or impose new responsibilities. Instead, it provides defined structures and reasonable timelines for critical determinations, and it increases transparency in the processes used to investigate duty evasion. The law would require that CBP make determinations on whether there is a reasonable basis to believe an importer is evading an AD/CVD order within 270 days after the submission of a properly supportable allegation. If an affirmative determination is made, the ENFORCE Act would require that AD/CVD penalties be collected.

II. Background

Domestic producers and industries may petition the US Commerce Department (Commerce) and the US International Trade Commission (ITC) to investigate imports which are believed to be sold at less than fair value or “dumped” in antidumping duty (AD) investigations or which benefit from unlawful government subsidies in countervailing duty (CVD) investigations. If Commerce finds that the imports are dumped or unfairly subsidized, and the ITC finds that these imports are a cause of material injury (or threaten material injury) to the US industry, Commerce will issue an AD and/or a CVD order imposing remedial duties on imports of these products to offset the amount of dumping or improper subsidies.

AD/CVD investigations and the resulting orders are the primary means by which US industries combat unfairly-traded imports. However, these remedies are only effective to the extent the orders are enforced and attempts to illegally evade the orders are stopped. Foreign exporters and US importers are increasingly using various schemes to evade payment of AD/CVD duties when goods are imported. These often involve transshipping products through a third country, sometimes repackaging or relabeling the product, and then using false documentation to declare that the third country is the country of origin. Importers also may deliberately misclassify imports, claiming that they are a different product or that they are excluded from the scope of the order.

Other common tactics to avoid AD/CVD duties include subjecting the products to minor alterations, or sending parts to a third country where minor or insignificant completion or

assembly operations are performed. Such products are then improperly identified as a product of the third country in blatant circumvention of the order.

These actions violate US law and deprive American companies of the relief which the AD/CVD laws are intended to provide. Evasion of existing duty orders causes continued financial harm to domestic industries and results in the loss of good-paying jobs for American workers. In addition, **the US Treasury loses hundreds of millions of dollars in uncollected duties annually** because products enter the US without paying the applicable, legally-required duties.

III. Status of Legislation

Senate: On May 12, the Senate passed the Trade Facilitation and Trade Enforcement Reauthorization Act (HR 644), which includes the language from Senator Wyden's Enforcing Orders and Reducing Circumvention Evasion (ENFORCE) Act, in Title IV. This bill is commonly called the Customs Reauthorization bill.

House: The House Ways and Means Committee approved a similar Customs Reauthorization Bill (HR 644) on April 23. However, with regard to this issue, the House version includes language from an earlier bill called PROTECT, along with some new provisions that would create a Commerce Department enforcement mechanism that had not been fully reviewed. Congresswoman Sanchez (CA) introduced an ENFORCE Act amendment to the House bill, during committee hearings, but withdrew it after receiving commitments from Chairman Ryan to support the ENFORCE language in conference. In addition, on the House floor when the bill was passed, Congressman Lou Barletta (PA) received similar commitments.

IV. AWPA's ASK

AWPA member companies ask their legislators to support the Senate-passed language of the ENFORCE Act. Congressmen and women are asked to talk with the House leadership and members of the Conference Committee for the Customs Reauthorization bills to urge this language be included in the final bill. Upon reconsideration of the bills in the House and Senate legislators are asked to vote for passage of this important measure.

V. Importance of This Bill to the Wire and Wire Products Industry and the US

A number of AWPA member companies have invested considerable time, resources and funds to stop the illegal dumping and subsidization of wire and wire products by foreign competitors. Our members have successfully obtained many AD/CVD orders against imported wire products that were found to be sold at dumped prices or unfairly subsidized by foreign governments. These companies have also experienced firsthand the effects of the illegal schemes used by foreign producers and US importers to evade the payment of lawfully-owed AD and CVD duties. These illegal schemes have caused further injury to these companies and have resulted in the loss of more American jobs.

AWPA member companies and their respective orders:

American Spring Wire—AD orders against prestressed concrete (PC) strand from China, Brazil, India, Japan, Korea, Mexico, and Thailand, and CVD orders against China and India

Heico Wire Group—AD orders against prestressed concrete rail tie wire from China and Mexico

Insteel Industries—AD/CVD orders against PC strand from China, Brazil, Japan, India, Korea, Mexico, and Thailand and CVD orders against China and India

Leggett & Platt, Incorporated—AD orders against innerspring units from China, Vietnam, and South Africa

M&B Metal Products, Inc.—AD orders against steel wire garment hangers from China, Taiwan, and Vietnam and a CVD order against Vietnam

Mid-Continent Nail—AD orders against steel nails from China, Korea, Malaysia, Oman, Taiwan, Vietnam, and the United Arab Emirates and a CVD order against Vietnam

Nashville Wire Products—AD/CVD orders against kitchen appliance shelving and racks from China

SSW Holding Company—AD/CVD orders against kitchen appliance shelving and racks from China

Sumiden Wire Products—AD orders against PC strand from China, Brazil, India, Japan, Korea, Mexico, Thailand, and CVD orders against China and India

Vulcan Threaded Products—AD order against steel threaded rod from China

The AD/CVD orders identified above represent just a small sample of the orders that are affected by illegal duty evasion. Scores of other industries across the country have AD/ CVD orders that are being undermined by illegal evasion. These include US producers of glycine, honey, diamond saw blades, and tissue paper products, to name just a few.

The enforcement tools embodied in the ENFORCE Act will help these AWPA members obtain effective, timely enforcement of their orders against dumped and subsidized imports. They will also help protect and promote American jobs and revenue owed to the US Treasury.

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American Wire Producers Association

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White Paper
Curbing the Reach of National Labor Relations Board (NLRB)
September 2015

I. Summary

The National Labor Relations Board (NLRB) issued a rule aimed at shortening the time needed before a vote to unionize. Legislation disapproving the rule was passed by Congress and sent to the President who vetoed the measure.

II. Background

The NLRB is an independent government agency charged with conducting elections for labor union representation and investigating and resolving unfair labor practices by both employers and unions. The Board is composed of five members appointed by the President to a five-year term.

III. Election Waiting Period

The NLRB finalized its rule that requires pre-election hearings to take place within seven days of a petition to unionize being submitted and that elections must take place within two weeks. Basically it cuts the number of days between when a union files to hold an election and when ballots are cast - from 38 days to 10 days. These are being called snap elections or quickie elections. These proposed election procedures would effectively deny employees the ability to make fully informed decisions about whether to join a union.

The rule also requires that employers provide union and community organizers with the home addresses and telephone numbers, email addresses, work locations, shifts and job classifications of all employees deemed eligible to vote within two days of an election agreement.

Originally this rule was supposed to go into effect on April 30, 2012. However, U.S. District Court Judge James Boasberg threw out the rule saying the Board lacked a quorum when it approved the measure. Boasberg said only two of the three members of the Board required to constitute a quorum actually voted on the rule. However, the U.S. District Court of D.C. subsequently upheld the rule.

IV. AWPA Position

Americans desperately need jobs, yet the NLRB has undertaken an aggressive agenda that threatens employers' ability to create jobs and economic growth. In addition to hindering job creation, some of the NLRB's proposed rules and upcoming decisions would shift control of the workplace away from employers and make them less competitive by limiting their flexibility.

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White Paper
US House Wire and Wire Products Caucus
September 2015

I. Summary

Following a successful series of trade briefings held during the 113th Congress, the House Congressional Wire and Wire Products Caucus was re-established in the 114th Congress. The Caucus is chaired by Reps. Sam Graves (R-6-MO) and Jim Cooper (D-5-TN). To date, these legislators have joined the Caucus:

Lou Barletta (R-11-PA)
Diane Black (R-6-TN) - House Ways & Means Committee
Marsha Blackburn (R-7-TN)
Cheri Bustos (D-17-IL)
Andre Carson (D-7-IN)
Virginia Foxx (R-5-NC)
Paul Gosar (R-4-AZ)
Gene Green (D-29-TX)
Brett Guthrie (R-2-KY)
David Joyce (R-14-OH)
Marcy Kaptur (D-9-OH)
Adam Kinzinger (R-16-IL)
Bob Latta (R-5-OH)
Sander Levin (D-9-MI) - Ranking House Ways & Means Committee
Dave Loebsback (D-2-IA)
Billy Long (R-7-MO)
Blaine Luetkemeyer (R-3-MO)
Luke Messer (R-6-IN)
Mick Mulvaney (R-5-SC)
Richard Neal (D-1-MA) - House Ways & Means Committee & Trade Subcmte
Robert Pittenger (R-9-NC)
James Renacci (R-16-OH) - House Ways & Means Committee
Tom Rice (R-7-SC)
Peter Roskam (R-6-IL) - House Ways & Means Committee
Keith Rothfus (R-12-PA)
Lucille Roybal-Allard (D-40-CA)
"Dutch" Ruppersberger (D-2-MD)
Linda Sanchez (D-38-CA) - House Ways & Means Committee
Terri Sewell (D-7-AL)
Jason Smith (R-8-MO) - House Ways & Means Committee
Steve Stivers (R-15-OH)
Mark Takano (D-41-CA)
Peter Visclosky (D-1-IN)
Ed Whitfield (R-1-KY)
Joe Wilson (R-2-SC)

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The Caucus has two primary goals:

1. Educational Caucus. Briefings are organized for legislators and their staffers on important trade issues (i.e., circumvention of duty orders through transshipment, the China border tax illegal trade practice, etc.). The goal is to provide more information about the wire industry and the issues it faces.
2. Proactive on Certain Trade Issues. AWPA provides information and positions about issues that the industry asks Caucus members to support.

Its Mission Statement is as follows:

The Wire and Wire Products Caucus is a bipartisan coalition of Members of Congress interested in and concerned with the health of our nation's wire and wire products manufacturers and consumers. Through informational roundtable discussions, public briefings and Member-to-Member communications, the Wire and Wire Products Caucus will work to help educate the Congress, Executive Branch and the broader policy community on the importance and contributions of domestic wire and wire products manufacturing to our nation's economy, infrastructure and national security.

II. Status

In the 114th Congress, the Caucus hosted a Trade Briefing on Tuesday, June 2, 2015 to discuss the various trade bills in consideration at that time, including Trade Promotion Authority (TPA), Customs Reauthorization, and ENFORCE.

III. AWPA Action

Representatives who have wire and/or wire products facilities in their districts and states are being asked to join this Caucus and participate in its educational events. A Dear Colleague has already been sent by the two Co-Chairs Reps. Graves and Cooper to encourage their colleagues to become Caucus members. Letters from AWPA member company representatives are also being sent to the Representatives in whose districts they have a plant or facility.

The image features a stylized American flag graphic. At the top, a blue banner with white stars is partially visible. Below it, a large, flowing ribbon of red and white stripes curves down the right side of the page. The text is centered in the white space between the banner and the ribbon.

AMERICAN WIRE PRODUCERS ASSOCIATION

The State of the United States Wire and Wire Products Industry

December 2014

The United States Wire and Wire Products Industry includes the companies that manufacture carbon, alloy and stainless steel wire and wire products; the US rod mills that manufacture the primary raw material used in making wire – wire rod; and wire customers who buy wire and manufacture wire products. All of these companies make significant contributions to the economies of the states in which they are located. They provide jobs for US workers and the payroll which supports their workers. The companies spend money on the products and services required to run their operations.

The following is a summary of key indicators of the importance of the Wire and Wire products industry to the US economy. The Wire Industry Supply Chain includes wire drawers, manufacturers of wire products and springs fabricated from wire, and steel mills, some of which supply wire rod, the raw material for wire and wire products.

Contribution of the Wire and Wire Products Industry to Overall Economy

Manufacturing Type	# of Facilities	# of Employees	Total Annual Wages
Wire Drawers	242	11,061	\$ 559,776,000
Wire Fabricators	909	26,413	\$ 1,235,444,000
Spring Manufacturers	451	16,649	\$ 896,514,000
Steel Mills	877	91,322	\$ 7,433,269,000
TOTAL	2,479	145,445	\$10,125,003,000

Description of Industry by NAICS Code

NAICS industry code #331222, Steel Wire Drawing.

This category includes steel wire drawing; barbed and twisted wire made in wire drawing plants; iron or steel baskets; iron or steel cable; iron or steel chain link fencing; drawing iron or steel wire from purchased steel wire or wire fabricating wire products; iron or steel fence gates and fittings; form ties made in wire drawing plants; iron or steel horseshoe nails; mesh wire made in wire drawing mills; iron or steel nails; iron or steel paper clips; iron or steel spikes; iron or steel staples; iron or steel tacks; tie wires made in wire drawing plants; welded iron steel wire fabric made in wire drawing plants; iron or steel wire cages; iron or steel wire carts made in wire drawing plants; iron or steel wire cloth; iron or steel wire garment hangers; iron or steel wire products made in wire drawing plants; and other iron or steel wire products.

NAICS industry code #332618, Other Fabricated Wire Product Manufacturing.

This category includes the following products made from purchased wire: automobile skid chains; bale ties; barbed wire; metal baskets; conveyor belts; brackets; noninsulated wire cable; cages; chain link fencing; chain; chicken netting; woven wire cloth; coat hangers; concrete reinforcing mesh; crab traps; cylinder wire cloth; delivery cases; grilles and grillwork; insect screening; key rings; lamp frames; nails; staples; paper clips; paper machine wire cloth; poultry netting; racks, wire rope; slings; spikes, stranded wire; tacks; tire chains; wire trays and woven window screening.

NAICS industry code #332613, Spring Manufacturing.

This category includes establishments primarily engaged in manufacturing springs from purchased wire, strip or rod.

NAICS industry code #331111, Iron and Steel Mills.

This category includes establishments primarily engaged in one or more of the following: (1) direct reduction of iron ore; (2) manufacturing pig iron in molten or solid form; (3) converting pig iron into steel; (4) making steel; (5) making steel and manufacturing shapes (e.g., bar, plate, rod, sheet, strip, wire); (6) making steel and forming pipe and tube; and (7) manufacturing electrometallurgical ferroalloys. Ferroalloys add critical elements, such as silicon and manganese for carbon steel and chromium, vanadium, tungsten, titanium, and molybdenum for low- and high-alloy metals. Ferroalloys include iron-rich alloys and more pure forms of elements added during the steel manufacturing process that alter or improve the characteristics of the metal being made.



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AMERICAN WIRE PRODUCERS ASSOCIATION

The AWPA is the leading voice of the ferrous wire and wire products industry in North America. It is an international trade association representing 80 - 90% of the production of carbon, alloy and stainless steel wire and wire products in the United States. The 88 member companies of the Association employ more than 22,000 workers in over 215 plants and facilities located in 35 states in 140 Congressional Districts, and 4 Canadian provinces and Mexico, generating over \$9.1 billion in Annual Sales. Manufacturers of ferrous Wire and Wire Products, located in the United States of America, make up the voting members of the association. Presidents, CEOs, Purchasing Managers and other senior level company leadership all participate in meetings and activities of the association.

The member companies are entrepreneurial and maintain their competitive market positions against a constant heavy penetration of foreign-made products, especially from China. Members pride themselves on their high productivity and constant reinvestment in latest technology and equipment, keeping the North American wire industry one of the most competitive segments of the steel industry.

The Advocacy work done by the AWPA and its members is based on fostering the global competitiveness of North American wire producers. The foundation of this work is in the International Trade Policy Mission statements of the association.

- The mission of the American Wire Producers Association is to assure free access to the global supply of Carbon, Alloy and Stainless Steel Wire Rod.
- AWPA supports and promotes US policy, legislation and international agreements which seek to eliminate trade-distorting subsidies and government intervention in the free market.
- AWPA supports compliance by the United States and our trading partners with international trade agreements and enforcement of the obligations of our trading partners that they have undertaken in those agreements.
- AWPA supports broad international trade liberalization with effective reciprocal market access.

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AMERICAN WIRE PRODUCERS ASSOCIATION

Talking Points ENFORCE Act

Background

- Many AWPA member companies have fairly won cases against illegal dumping and government subsidy of wire products production by foreign competitors. Yet these same products are still being brought in and are continuing to harm US manufacturers.
- The Senate-passed ENFORCE bill, which is included in the Senate-passed Customs Reauthorization bill, provides a new procedure. It authorizes Customs to investigate imported merchandise which is “misrepresented, misreported, or misidentified”, with a timely and transparent procedure.
- The legislation also enhances cooperation between Commerce and Customs to ensure effective enforcement.
- The US Treasury loses hundreds of millions of dollars each year in uncollected duties because products under antidumping and countervailing duty orders enter the US through third countries and evade the payment of lawful duties.

Congressional Action

- AWPA asks lawmakers to
 1. Support the Senate-passed ENFORCE language;
 2. Talk with Congressional leaders; and
 3. Talk with the Customs Reauthorization Bill Conference Committee members urging them to include this language in the final Customs bill.
 4. VOTE to pass the Customs Bill which includes the ENFORCE language

AMERICAN WIRE PRODUCERS ASSOCIATION
Talking Points
Congressional Wire and Wire Products Caucus

Background

- AWPA and its member companies have helped establish a bipartisan Congressional Wire and Wire Products Caucus in the House of Representatives.
- Reps. Sam Graves (R-6-MO) and Jim Cooper (D-5-TN) serve as Co-Chairs, and there are currently over 35 members.
- The goals are to educate legislators and their staffers on important trade issues impacting wire and wire products manufacturers in the US; as well as be a proactive congressional force supporting the industry.

Congressional Action

- AWPA asks Members of Congress in the House to join this Caucus.

AMERICAN WIRE PRODUCERS ASSOCIATION
Talking Points
National Labor Relations Board “Ambush” Elections

Background

- The National Labor Relations Board has issued a rule aimed at shortening the time needed before a vote is taken to unionize.
- A pre-election hearing must take place within seven days of a petition being submitted and election must take place within two weeks. This cuts the number of days from 38 days to 10 days.
- This is Not enough time for employees to make fully informed decisions.
- The new rule requires employers provide union organizers with home addresses, telephone numbers, email addresses, work locations, shifts and job classifications of all employees eligible to vote. This sets up a confidentiality issue.

AWPA Position

- NLRB has undertaken an aggressive agenda that threatens employers’ ability to create jobs and economic growth.

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AWPA GOVERNMENT AFFAIRS CONFERENCE – Hill Visits

September 17, 2015

CAPITOL HILL SCORECARD

LEGISLATOR'S NAME: _____

Did the Senator/Representative attend? YES NO

STAFFER/S ATTENDING: _____

COMMENTS ON THE QUALITY OF THE VISIT:

A. Does the Senator/Representative understand the evasion issue and support the provisions in ENFORCE?

Yes No No commitment

Comments: _____

B. Will the Senator/Representative discuss the issue with GOP leadership, conferees and/or members of the House Ways and Means Committee?

Yes No No commitment

Comments: _____

C. REPRESENTATIVE Meeting only: Will the Representative join the Wire and Wire Products Caucus if not already a member?

Yes No No commitment

Comments: _____

D. AWPA Follow-up Needed: _____

NAME(S): _____

COMPANY(S): _____

PLEASE PROVIDE COMPLETED FORM TO AWPA STAFF MEMBER or

FAX TO 703.299.9233

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