

General Packet

AMERICAN WIRE PRODUCERS ASSOCIATION Government Affairs Conference June 6-8, 2016 The W Hotel – Washington DC Conference Materials

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2016 SCHEDULE OF EVENTS

MONDAY, JUNE 6 All Monday Events at The W Hotel

8:00 am – 10:00 am Executive Committee Meeting/Breakfast The Root Cellar (lower level of Pinea Restaurant)

10:00 am – 12:00 pm Stainless Committee Meeting The Root Cellar (lower level of Pinea Restaurant)

1:00 pm – 3:00 pm Rope Committee Meeting - Planning Studio 1 (lobby level)

2:00 pm – 3:00 pm Membership Committee Meeting Studio 2 (lobby level)

3:30 am – 5:30 pm AWPA Board of Directors Meeting Studio 2 (lobby level)

5:30 pm – 7:00 pm AWPA Reception POV Lounge (rooftop)

Dinner on Your Own

TUESDAY, JUNE 7 *Tuesday Events at Various Locations*

8:30 am – 10:00 am US House Wire & Wire Products Caucus Briefing Capitol Hill, Rayburn HOB Room 2103 Transportation by Cab

10:30 am – 2:00 pm NAM Meet & Greet and Briefing Lunch Mandarin Oriental Hotel, Grand Ballroom Transportation by Cab 2:30 pm – 5:00 pm Congressional Visits Scheduled by AWPA Capitol Hill Transportation by NAM Shuttle from Mandarin Oriental Hotel

6:00 pm – 7:00 pm NAM Manufacturing Summit Reception Mandarin Oriental Hotel, Garden Terrace

7:00 pm – 9:00 pm NAM Manufacturing Summit Dinner *Mandarin Oriental Hotel, Grand Ballroom Foyer* Speaker – TBA

OR Dinner on Your Own

WEDNESDAY, JUNE 8

7:00 am – 9:30 am Congressional Visits Debriefing Breakfast The W Hotel, Studio 1 (lobby level)

FUTURE MEETINGS

Operations Managers Meeting **TBA**

Annual Meeting *February 20-22, 2017* The Meritage Resort, Napa, California

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Mr. James Ampleman Director, Global Procurement WireCo WorldGroup Prairie Village, KS

Mr. John Arnold Director of Quality Fort Wayne Metals Research Products Corporation Fort Wayne, IN

Mr. Steve Ashby Vice President, Rod, Rebar, & Industrial Wire Keystone Steel & Wire Company Peoria, IL

Mr. Greg Barbour Vice President, Sales Beta Steel Sterling Heights, MI

Mr. Luis Barrenechea Owner Wire Mesh Corporation The Woodlands, TX

Mr. Beau Barsotti President American Wire Research Wilmerding, PA

Mr. Timothy Becker Vice President - Diversified Business Unit HSM Solutions Hickory, NC

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Mr. Stan Fossick Vice President Mid-South Wire Company Nashville, TN

Ms. Coreena Frashefski Rod Product Manager - Nucor Steel Kingman Nucor Kingman, AZ

Mr. Paul From President and CEO Central Wire Industries Perth, ON Canada

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2016 Government Affairs Conference

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New Members in Attendance

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Guest List

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Spouse and Guest List

Maria Barrenechea Spouse/Guest of: Luis Barrenechea Wire Mesh Corporation The Woodlands, TX Tracy Jakositz Spouse/Guest of: David Weinand Oklahoma Steel & Wire Company, Inc. Madill, OK



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February 2016

MEMORANDUM

To:	Members of the American Wire Producers Association
From:	Fred Waite, General Counsel Kim Young, Counsel
RE:	Antitrust Compliance

It is the policy of the American Wire Producers Association to comply fully with the antitrust and trade regulation laws of the United States and its political subdivisions and with applicable foreign laws. Accordingly, the Association's officers, directors, committee chairmen, and members, as well as its administrative staff and consultants, have an individual responsibility and obligation always to act in a manner consistent with this policy.

To assist members, staff, and consultants in this regard, the Board of Directors has instructed the Association's General Counsel to continually update guidelines for antitrust compliance. Counsel has prepared an "*Antitrust Compliance Guide*" which describes the most important provisions of the principal antitrust laws and which reviews the legal standards that govern the activities of the Association. The *Antitrust Compliance Guide* has been distributed to all members of the Association, as well as to staff and consultants, via the AWPA website at <u>https://www.awpa.org/wp-content/uploads/2016/03/AWPA-Antitrust-Compliance-Policy-Feb-2016.pdf</u>.

All questions concerning antitrust compliance should be directed to the Association's General Counsel.

FPW:daj

Attachment

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS

OF ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS AND DEPOSIT RATES ON

CARBON AND CERTAIN ALLOY STEEL WIRE ROD

JUNE 2016

COUNTRY	DATE OF ORDER	DUMPING DUTY DEPOSIT RATES	Countervailing Duty Deposit Rates
Brazil	AD: October 29, 2002 CVD: October 22, 2002	74.45—98.69%	2.76—6.74%
CHINA	AD: January 8, 2015 CVD: January 8, 2015	106.19—110.25%	178.46—193.31%
Indonesia	AD: October 29, 2002	0.00—4.06%	Not Applicable
MEXICO ^{*/}	AD: October 29, 2002	1.54—20.11%	Not Applicable
Moldova	AD: October 29, 2002	369.10%	Not Applicable
Trinidad & Tobago	AD: October 29, 2002	11.40—23.95%	Not Applicable

^{*/} There is one pending administrative review of this order, covering imports from Deacero S.A. de C.V. and ArcelorMittal las Truchas during October 1, 2014, through September 30, 2015.

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) ORDERS AND DUMPING DUTY DEPOSIT RATES ON STAINLESS STEEL WIRE ROD

JUNE 2016

Country	DATE OF ORDER	DUMPING DUTY DEPOSIT RATES	COMPANIES EXCLUDED FROM ORDER
India	December 1, 1993	2.10—48.80%	VIRAJ ALLOYS LTD. and VSL WIRES LTD.
ITALY	September 15, 1998	11.25%	ACCIAIERIE VALBRUNA / BOLZANO S.P.A.
JAPAN	September 15, 1998	21.18—34.21%	HITACHI METALS LTD.
Korea	September 15, 1998	5.77—28.44%	None.
Spain	September 15, 1998	0.00—2.71%	None.
TAIWAN	September 15, 1998	4.75—8.29%	YIEH HSING ENTERPRISE CORP.

- NOTE: The U.S. International Trade Commission and the U.S. Department of Commerce are currently conducting the third sunset review of the antidumping orders on stainless steel wire rod from Italy, Japan, Korea, Spain, and Taiwan.
- NOTE: The next sunset review of the antidumping order on stainless steel wire rod from India will begin in December 2016.

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY COUNTRY

JUNE 2016

COUNTRY	Product	TYPE OF ORDER	DATE OF ORDER	DEPOSIT RATES
CHINA	STEEL NAILS	AD	August 1, 2008	0.00%—118.04%
	STEEL WIRE GARMENT HANGERS	AD	October 6, 2008	33.24%—187.25%
	UNCOVERED INNERSPRING UNITS	AD	February 19, 2009	164.75%—234.51%
	STEEL THREADED ROD	AD	April 14, 2009	39.42%—206.00%
	WIRE SHELVING	AD	September 14, 2009	0.00%—95.99%
	WIRE SHELVING	CVD	September 14, 2009	7.85%—264.09%
	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	June 29, 2010	42.42%—193.55%
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	July 7, 2010	9.42%-45.85%
	STEEL GRATING	AD	July 23, 2010	137.76%—145.18%
	STEEL GRATING	CVD	July 23, 2010	62.46%
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014	31.40%—35.31%
VIETNAM	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008	116.31%
	STEEL WIRE GARMENT HANGERS	AD	February 5, 2013	157.00%—220.68%
	STEEL WIRE GARMENT HANGERS	CVD	February 5, 2013	31.58%—90.42%
	STEEL NAILS	AD	July 13, 2015	323.99%
	STEEL NAILS	CVD	July 14, 2015	288.56%—313.97%
India	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004	83.65%—102.07%
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	February 4, 2004	62.92%
Korea	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004	35.64%—54.19%
	STEEL NAILS	AD	July 13, 2015	0.00%—11.80%
MEXICO	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004	62.78%—77.20%
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014	9.99%
TAIWAN	STEEL WIRE GARMENT HANGERS	AD	December 10, 2012	69.98%—125.43%
	STEEL NAILS	AD	July 13, 2015	0.00%-2.24%

STATUS OF U.S. ANTIDUMPING ("AD") AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY COUNTRY

JUNE 2016

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COUNTRY	PRODUCT	TYPE OF ORDER	DATE OF ORDER	DEPOSIT RATES
Brazil	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004	118.75%
JAPAN	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	December 8, 1978	0.00%—15.80%
Malaysia	STEEL NAILS	AD	July 13, 2015	2.66%—39.35%
Oman	STEEL NAILS	AD	July 13, 2015	9.10%
South Africa	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008	121.39%
THAILAND	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004	12.91%
U.A.E.	STEEL NAILS	AD	May 10, 2011	18.13%—184.41%

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY PRODUCT

JUNE 2016

PRODUCT	COUNTRY	TYPE OF ORDER	DATE OF ORDER	DEPOSIT RATES
STEEL NAILS	CHINA	AD	August 1, 2008	0.00%—118.04%
	UNITED ARAB EMIRATES	AD	May 10, 2011	18.13%—184.41%
	Korea	AD	July 13, 2015	0.00%—11.80%
	MALAYSIA	AD	July 13, 2015	2.66%—39.35%
	Oman	AD	July 13, 2015	9.10%
	TAIWAN	AD	July 13, 2015	0.00%-2.24%
	VIETNAM	AD	July 13, 2015	323.99%
	VIETNAM	CVD	July 14, 2015	288.56%—313.97%
STEEL WIRE GARMENT	CHINA	AD	October 6, 2008	33.24%—187.25%
HANGERS	TAIWAN	AD	December 10, 2012	69.98%—125.43%
	VIETNAM	AD	February 5, 2013	157.00%—220.68%
	VIETNAM	CVD	February 5, 2013	31.58%—90.42%
Uncovered	China	AD	February 19, 2009	164.75%—234.51%
INNERSPRING UNITS	SOUTH AFRICA	AD	December 11, 2008	121.39%
	VIETNAM	AD	December 11, 2008	116.31%
STEEL THREADED ROD	China	AD	April 14, 2009	39.42%—206.00%
WIRE SHELVING	China	AD	September 14, 2009	0.00%—95.99%
	CHINA	CVD	September 14, 2009	7.85%—264.09%
PRESTRESSED CONCRETE STEEL WIRE STRAND	CHINA	AD	June 29, 2010	42.42%—193.55%
	CHINA	CVD	July 7, 2010	9.42%-45.85%
	Brazil	AD	January 28, 2004	118.75%
	India	AD	January 28, 2004	83.65%—102.07%
	India	CVD	February 4, 2004	62.92%
	JAPAN	AD	December 8, 1978	0.00%—15.80%
	Korea	AD	January 28, 2004	35.64%—54.19%
	MEXICO	AD	January 28, 2004	62.78%—77.20%
	THAILAND	AD	January 28, 2004	12.91%

STATUS OF U.S. ANTIDUMPING ("AD") AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY PRODUCT

JUNE 2016				PAGE 2
STEEL GRATING	CHINA	AD	July 23, 2010	137.76%—145.18%
	CHINA	CVD	July 23, 2010	62.46%
PRESTRESSED CONCRETE	CHINA	AD	June 24, 2014	31.40%—35.31%
RAIL TIE WIRE	MEXICO	AD	June 24, 2014	9.99%

AMERICAN WIRE PRODUCERS ASSOCIATION

ANTICIRCUMVENTION INVESTIGATION OF SMALL-DIAMETER WIRE ROD FROM MEXICO

JUNE 2016

SCOPE AND ANTICIRCUMVENTION PETITIONS FROM U.S. ROD INDUSTRY

Two groups of U.S. rod producers—ArcelorMittal USA, Gerdau Ameristeel US, and Rocky Mountain Steel of Evraz Inc. NA; and Nucor Corporation and Cascade Steel Rolling Mills Inc.—submitted to the U.S. Department of Commerce (DOC) scope/anticircumvention petitions against small-diameter wire rod in connection with the antidumping (AD) order on carbon and certain alloy steel wire rod from Mexico. The petitions claimed that two Mexican producers/exporters—Deacero S.A. de C.V. (Deacero) and Ternium Mexico S.A. de C.V. (Ternium)—exported wire rod with a diameter of 4.75 mm to the United States. The scope of the AD order covers wire rod "5.00 mm or more ... in solid cross-sectional diameter."

DOC'S INITIATION OF ANTICIRCUMVENTION INVESTIGATION

The DOC formally initiated a "minor alterations anti-circumvention proceeding" with respect to wire rod from Mexico. The purpose of the proceeding is to determine whether wire rod with an actual diameter measuring between 4.75 mm and 5.00 mm results from a minor alteration and, thus, constitutes a change to the product which is so insufficient that the wire rod is subject to the AD order on carbon and certain alloy steel wire rod from Mexico.

On the other hand, the DOC declined to initiate a scope inquiry because it concluded that the diameters mentioned in the scope language (*i.e.*, "5.00 mm or more") refer to actual diameters. The U.S. producers had claimed that the 4.75 mm rod product is within the scope of the AD order because it falls within the tolerance parameters of 5.00 mm rod. However, the DOC rejected this claim and found that wire rod with an actual diameter less than 5.00 mm is not within the scope of the order on wire rod from Mexico.

DOC'S PRELIMINARY DETERMINATION

The DOC preliminarily determined that "wire rod with an actual diameter between 4.75 mm and 5.00 mm produced in Mexico and exported to the United States by Deacero is circumventing the antidumping order on wire rod from Mexico" and that this small-diameter wire rod should be included in the scope of the antidumping order on wire rod from Mexico.

In reaching its preliminary determination, the DOC found that the small-diameter wire rod exported by Deacero is indistinguishable from wire rod with a diameter of 5.00 mm or more "in any meaningful sense in terms of overall physical characteristics of the merchandise." According to the DOC, Deacero admitted that the sole physical difference between these two types of wire rod is the 0.25 mm difference in diameter. The DOC's preliminary analysis indicated that other physical characteristics—such as tensile strength, ductility, and

DECEMBER 20, 2011

JUNE 8, 2011

FEBRUARY 11, 2011

chemical content (or grade)—do not vary by diameter. Further, the DOC preliminarily determined that the difference in diameter between the two types of wire rod does not alter in any meaningful way the expectations of the ultimate users, the use of the merchandise, or the channels of marketing. Finally, the DOC found that the costs to produce the small-diameter wire rod are not significantly different from the costs to produce subject merchandise.

The DOC noted that its preliminary determination applies only to Deacero because information submitted by Ternium showed that it did not produce or sell small-diameter wire rod.

The effective date of this preliminary determination is June 8, 2011 (the date of initiation of the inquiry). Accordingly, the DOC instructed U.S. Customs and Border Protection to: (a) suspend liquidation of entries of small-diameter wire rod produced and/or exported by Deacero that were made on or after June 8, 2011, and (b) require cash deposits of 20.11 percent (the "All Others" rate) for all unliquidated entries that were made on or after June 8, 2011.

DOC'S FINAL DETERMINATION

The DOC's final determination confirmed its preliminary determination that "wire rod with an actual diameter of 4.75 mm to 5.00 mm by Deacero S.A. de C.V. constitutes merchandise altered in form or appearance in such minor respects that it should be included within the scope of the order on wire rod from Mexico." The DOC also confirmed that this determination applies only to Deacero, and it does not cover Ternium, because Ternium has not shipped wire rod with diameters of 4.75 mm to 5.0 mm.

The effective date of this final determination is June 8, 2011. Thus, wire rod with an actual diameter of 4.75 mm to 5.0 mm produced and/or exported by Deacero and entered into the United States on or after June 8, 2011, will be subject to potential dumping duties. The DOC instructed U.S. Customs and Border Protection to continue to suspend liquidation of entries of such small-diameter wire rod from Deacero and to require cash deposits of 20.11 percent (the "All Others" rate) for all entries that were made on or after June 8, 2011.

DEACERO'S APPEAL OF DOC'S FINAL DETERMINATION

Subsequent to the DOC's final determination, Deacero appealed the circumvention determination to the U.S. Court of International Trade (CIT). The DOC's determination will remain in force during the pendency of the appeal.

CIT'S DECISION AND REMAND TO DOC

On September 30, 2013, the CIT issued its opinion in the appeal. The CIT found that 4.75 mm wire rod was commercially available prior to the issuance of the AD order on Mexico and that the U.S. rod industry could have included it within the scope but did not. Further, the CIT found that diameter is an essential characteristic of the scope and that wire rod with a diameter of 4.75 mm "unambiguously" fell outside the scope of the order, which defines subject merchandise as wire rod with a diameter of 5.00 mm or more but less than

OCTOBER 29, 2012

OCTOBER 1, 2012

SEPTEMBER 30, 2013

JUNE 2016

19.00 mm. The CIT characterized the DOC's determination and reasoning as "flawed," "conclusory," "unsupported," and "rigid." The CIT also stated that the U.S. rod industry wanted to rewrite the order "so that it says what they wish it had said at its inception."

Accordingly, the CIT remanded the case to the DOC with instructions to reconsider its original determination that 4.75 mm wire rod circumvents the order. If the DOC continues to conclude on remand that 4.75 mm wire rod is circumventing the order, the CIT ordered that the DOC "must thoroughly explain how the record and relevant law supports that determination" in light of the CIT's decision. The DOC must submit its remand redetermination to the CIT by January 29, 2014, and Deacero and the U.S. rod industry have until February 28, 2014, to submit comments on the DOC's redetermination.

DOC'S FINAL REMAND REDETERMINATION

JANUARY 29, 2014

On December 6, 2013, the DOC released its draft remand redetermination. The DOC initially stated that it "respectfully disagrees with the Court that the fact that 4.75 mm diameter steel wire rod existed in Japan at the time of the antidumping duty investigation of steel wire rod from Mexico indicates that the Department's application of the minor alteration analysis was incorrect." Nevertheless, the DOC revised its analysis and found that Deacero's entries of wire rod with a diameter of 4.75 mm to 5.00 mm do not constitute a minor alteration and do not circumvent the AD order.

Both Deacero and the U.S. industry have submitted comments on the draft redetermination to the DOC. Deacero urged the DOC to finalize its draft redetermination; the U.S. rod industry urged the DOC to explain why its original determination was lawful.

On January 29, 2014, the DOC released its final remand redetermination which incorporated its draft redetermination and found that wire rod with an actual diameter of 4.75 mm to 5.00 mm shipped to the United States by Deacero is outside the scope of the antidumping order on wire rod from Mexico.

DOC'S SECOND FINAL REMAND REDETERMINATION

OCTOBER 20, 2014

The CIT reviewed the DOC's final remand redetermination of January 29, 2014, and it found that a further remand was necessary because the DOC had misinterpreted its decision. The misinterpretation involved a technical point, which the DOC resoled in its second final remand redetermination on October 20, 2014.

The DOC stated that it "continues to respectfully disagree with the Court" but nevertheless confirmed its previous remand redetermination that wire rod with a diameter of 4.75 mm to 5.00 mm shipped to the United States by Deacero is outside the scope of the antidumping order.

JUNE 2016

CIT'S DECISION

The CIT affirmed the DOC's second final remand redetermination of October 20, 2014, and sustained the DOC's determination that wire rod with a diameter of 4.75 mm to 5.00 mm shipped to the United States by Deacero is not subject to antidumping duties.

APPEAL OF CIT DECISION

Following the CIT's decision, the DOC and U.S. producers—ArcelorMittal USA, LLC, Gerdau Ameristeel U.S. Inc., and Nucor Corp.—filed an appeal to the U.S. Court of Appeals for the Federal Circuit (Federal Circuit).

FEDERAL CIRCUIT'S DECISION

On April 6, 2016, the Federal Circuit issued its decision in this appeal. The Federal Circuit ruled that imports of Deacero's small-diameter (4.75 mm) wire rod are covered by the antidumping order on wire rod from Mexico. This is the end of the appeal process, and the DOC and U.S. Customs and Border Protection have undertaken the process to implement the Federal Circuit's decision. Accordingly, imports of wire rod with a diameter of 4.75 mm are now subject to the antidumping order on carbon and certain alloy steel wire rod from Mexico.

DECEMBER 22, 2014

April 6, 2016

FEBRUARY 23, 2015

AMERICAN WIRE PRODUCERS ASSOCIATION

June 2016 Section 337 Complaint against Chinese Steel Companies

Prepared by Frederick P. Waite and Kimberly R. Young, AWPA Counsel Vorys, Sater, Seymour & Pease LLP

I. US Steel's Section 337 Complaint

On April 26, 2016, United States Steel Corporation filed a complaint under Section 337 of the trade laws against all of the major Chinese steel producers and their affiliated trading companies regarding "all Chinese carbon and alloy steel products". However, the complaint makes specific reference only to hot-rolled, cold-rolled, and corrosion-resistant flat-rolled steel products as well as oil country tubular goods (OCTG) and line pipe.

The complaint also lists the items in the Harmonized Tariff Schedule of the United States (HTSUS) which are subject to its various allegations. They include primarily carbon and alloy steel flat-rolled products (hot-rolled, cold-rolled, and corrosion-resistant sheet and plate), OCTG, and line pipe. The HTSUS items include several flat wire products but under the heading of cold-rolled steel products, so this is probably an attempt to deal with the classification of cold-rolled flat products as flat wire.

According to a press release, the complaint alleges that China's largest steel producers and their distributors conspired to fix prices, steal trade secrets, and circumvent duties through the use of false labeling. A US Steel spokesperson stated that the allegation regarding stolen trade secrets is based on the 2014 Federal indictment of five members of the Chinese military for hacking the computer systems of US Steel, Allegheny Technologies, Westinghouse, Alcoa, and the United Steelworkers Union.

Chinese steel producers and affiliated trading companies identified in US Steel's Section 337 complaint:

Hebei Iron and Steel Co., Ltd. (China); Hebei Iron & Steel Group Hengshui Strip Rolling Co., Ltd. (China); Hebei Iron & Steel (Hong Kong) International Trade Co., Ltd. (China); Shanghai Baosteel Group Corporation (China); Baoshan Iron & Steel Co., Ltd. (China); Baosteel America Inc. (Montvale, New Jersey); Jiangsu Shagang Group (China); Jiangsu Shagang International Trade Co, Ltd. (China); Anshan Iron and Steel Group (China); Angang Group International Trade Corporation (China); Angang Group Hong Kong Co., Ltd. (China); Wuhan Iron and Steel Group Corp. (China); Wuhan Iron and Steel Co., Ltd. (China); WISCO America Co., Ltd. (Newport Beach, California); Shougang Group (China); China Shougang International Trade & Engineering Corporation (China); Shandong Iron and Steel Group Co., Ltd (China); Shandong Iron and Steel Co., Ltd. (China); Jigang Hong Kong Holdings Co., Ltd. (China); Jinan Steel International Trade Co., Ltd. (China); Magang Group Holding Co. Ltd. (China); Maanshan Iron and Steel Co., Ltd. (China); Bohai Iron and Steel Group (China); Tianjin Pipe (Group) Corporation (China); Tianjin Pipe International Economic & Trading Corporation (China); TPCO Enterprise Inc. (Houston, Texas); TPCO America Corporation (Gregory, Texas); Benxi Steel (Group) Co., Ltd. (China); Benxi Iron and Steel (Group) International Economic and Trading Co., Ltd. (China); Hunan Valin Steel Co., Ltd. (China); Hunan Valin Xiangtan Iron and Steel Co., Ltd. (China); Tianjin Tiangang Guanye Co., Ltd. (China); Wuxi Sunny Xin Rui Science and Technology Co., Ltd. (China); Taian JNC Industrial Co., Ltd. (China); EQ Metal (Shanghai) Co., Ltd. (China); Kunshan Xinbei International Trade Co., Ltd. (China); Tianjin Xinhai Trade Co., Ltd. (China); Tianjin Xinlianxin Steel Pipe Co. Ltd. (China); Tianjin Xinyue Industrial and Trade Co., Ltd. (China); and Xian Linkun Materials (Steel Pipe Supplies) Co., Ltd. (China).

II. Section 337 Law and Procedures

Section 337 is directed against unfair trade practices, particularly involving the enforcement of US intellectual property rights. If imports are found to violate Section 337, the US International Trade Commission (ITC) will normally issue an exclusion order to US Customs and Border Protection (CBP) which excludes those products from the United States. In the alternative, the ITC can issue "cease and desist" orders directing the offending parties to stop their unlawful practices.

To prove a violation of Section 337, a complainant must establish the following:

(a) unfair competition or an unfair act, which is usually a patent or trademark infringement;

(b) importation, sale for importation, or sale after importation into the United States of the products under investigation; and

(c) the existence of a domestic industry involved in the product in question. In investigations that are not based upon an alleged infringement of Federal statutory intellectual property rights, a complainant must also prove

(d) that the alleged unfair act has caused or threatens to cause injury to the domestic industry.

The most common forms of unfair acts brought before the ITC are patent infringement and trademark infringement. However, acts such as copyright and trademark infringement, misappropriation of trade secrets, and other business torts may also constitute an unfair act under Section 337.

A Section 337 investigation is instituted by a complaint filed with the ITC. The ITC has 30 days after filing to determine whether an investigation should be instituted.

Unlike antidumping and countervailing duty investigations, Section 337 investigations are conducted by an administrative law judge (ALJ). The ALJ will conduct an evidentiary hearing, which is similar to a trial before a Federal court judge. The complaining party, the responding parties, and an ITC staff attorney may all present evidence at the hearing as well as submit written briefs to the ALJ. The ALJ will issue an initial determination which is subject to review by the ITC Commissioners.

Section 337 requires that the ITC complete Section 337 investigations at the earliest practicable time. Thus, at the outset of each Section 337 investigation, the ALJ will set a target date for completion of the investigation. The initial target date is usually set at 12 to 18 months, depending primarily on the complexity of the investigation.

On finding a violation of Section 337, the ITC may issue an exclusion order prohibiting importation of the products subject to investigation, cease and desist orders, or both. All of these orders are effective when issued and become final after 60 days unless they are disapproved by the President (acting through the US Trade Representative) for policy reasons. Finally, the ITC's determinations in Section 337 investigations may be appealed directly to the US Court of Appeals for the Federal Circuit.

III. Previous Section 337 Investigation on Steel Products

As mentioned, Section 337 investigations usually involve claims regarding intellectual property rights, such as allegations of patent infringement or trademark infringement by imported goods. However, in 1978, US domestic producers filed a Section 337 complaint against 35 Japanese competitors regarding imports of welded stainless steel pipe. The complaint alleged that Japanese producers, exporters, and US importers were engaged in unfair competitive practices, specifically pricing the pipe below the average variable cost of production.

The ITC found in favor of the domestic industry with respect to 11 Japanese companies. The ITC issued a "cease and desist" order against these companies, ordering them not to engage in such unfair competitive practices. However, exercising his review authority, President Carter disapproved the ITC's decision for policy reasons, and no action was taken against the Japanese companies or imports of stainless steel pipe from Japan.



AMERICAN WIRE PRODUCERS ASSOCIATION

The AWPA 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 86 member companies of the Association employ more than 19,500 workers in over 200 plants and facilities located in 35 states in 143 Congressional Districts, and 4 Canadian provinces and Mexico, generating over \$9.1 billion in Annual Sales. Its membership is comprised of Active (voting) and Associate (non-voting) members. Active members are independent wire companies that purchase wire rod as their raw material. Associate memberships include: Associate Wire Companies in Canada and Mexico, Rod suppliers and other Suppliers (machinery, equipment, chemicals, etc.)

The member companies are entrepreneurial and maintain their competitive market positions against a constant heavy penetration of foreign-made products. They 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 members of the AWPA are working hard to maintain their competitive edge in the marketplace. Some of the activities and programs in which AWPA is involved are:

- providing the voice of the industry to US government officials and foreign governments in policy making that affects the wire industry;
- tracking legislation and regulations which impact the manufacturing sector and the steel industry;
- making full use of a proactive committee structure whose activities extend from international trade issues to operational considerations in the workplace;
- compiling industry data for industry information and company benchmarking which include:

US Domestic Wire Shipments Imports of Rod, Wire, and Wire Products Inventory, Carbon and Stainless Wire Rod Inventory, Carbon Wire & Wire Products, benchmarking ratios to sales Safety Data, benchmarking industry averages & individual plant performance Industry Identification Data, compiling industry size & congressional districts Sector Data for Nails, PC Strand, Garment Hangers and Stainless Wire

 holding annual operations managers meetings to provide timely information and an opportunity for sharing operational challenges and touring plants

AMERICAN WIRE PRODUCERS ASSOCIATION The State of the United States Wire and Wire Products Industry September 2015

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.

Manufacturing Type	# of Facilities	# of Employees	Total Annual Wages
Wire Drawers	245	10,886	\$ 554,493,560
Wire Fabricators	917	26,158	\$1,215,059,308
Spring Manufacturers	446	16,799	\$ 875,104,328
Steel Mills	890	86,951	\$6,705,671,340
TOTAL	2,498	140,794	\$9,350,328,536

Contribution of the Wire and Wire Products Industry to Overall Economy

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, and Occupational Employment Statistics Survey

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 cares made in wire drawing plants; iron or steel wire cares made in wire drawing plants; iron or steel wire cares made in wire drawing plants; iron or steel wire cares 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.



White Paper China's Steel Overcapacity Harms US Industry China Must Remain a Non-Market Economy (NME) Country June 2016

I. Summary

The flood of steel wire and wire products from China is the single most critical issue affecting the US wire industry, its customers, and its domestic suppliers. China's overcapacity of steel-making facilities, its subsidized industry, and its government controlled markets creates unfair competition and harms US manufacturing, American workers, and the overall US economy. Imports of steel wire and wire products from China have surged as the result of China's excess steel capacity, subsidy programs, mercantilist policies, unfair trade practices, and currency manipulation.

AWPA members are concerned about China's expectation that at the end of 2016 China will be granted Market Economy Status (MES). AWPA has joined like-minded organizations in a coalition which believes China should continue to be designated as a Non-Market Economy (NME) country.

Manufacturers for Trade Enforcement (MTE) mission: "To maintain effective trade enforcement and remedy options for US manufacturers and producers by ensuring the US government preserves its right to conduct a fair and accurate assessment of China's non-market economy status."

The position of the coalition is that fair international competition and a level playing field are essential for the global competitiveness of US manufacturers. Effective and predictable trade enforcement mechanisms must include the accurate assessment of and response to distortions from state-run or other non-market economies, which endanger US jobs and the economy.

- 1. The Chinese economy does not meet the basic requirements set forth by the US Department of Commerce for a functioning Market Economy.
- 2. A determination by the US Administration that the Chinese economy continues to meet the definition of a non-market economy is vital for US manufacturers seeking redress for unfair trade practices by Chinese exporters.

The growing list of Coalition members include:

Alliance for American Manufacturing Aluminum Association American Fiber Manufacturers Assn American Iron and Steel Institute American Wire Producers Association Committee on Pipe and Tube Imports Institute of Scrap Recycling Industries Metals Service Center Institute Narrow Fabrics Institute National Council of Textile Organizations PET Resin Association Steel Manufacturers Association US Industrial Fabrics Institute

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office 703.299.4434 | email info@awpa.org | www.awpa.org

II. Background: Global Steel Overcapacity and USTR Efforts

According to the Organization for Economic Cooperation and Development (OECD) Steel Committee, global crude steelmaking capacity more than doubled from 2000 to 2014, with growth led by an unprecedented capacity expansion in China. Government intervention in the Chinese economy encourages over-production in many sectors, (including steel, which globally is now over 700 million metric tons annually) which displaces US production and hurts US workers. China's surplus capacity in steelmaking is greater than the entire steel production of the United States, European Union, Japan, and Russia combined, according to the US Trade Representative.

The US Trade Representative (USTR) convened hearings in April to listen to industry's concerns about Global Steel Overcapacity. The AWPA testified at the hearings to provide information on the impact of Global Steel Overcapacity on downstream steel manufacturers, such as the wire and wire products industry. Imports of steel wire and wire products from China have surged since 2001. The US wire industry is often overlooked when policymakers, commentators, and the press address the fundamental issues in today's global steel market. Our member companies face the same problems caused by overcapacity, subsidy programs, and other unfair trade practices—particularly by China—that affect the basic steel industry.

By 2015, imports of Chinese wire increased by 370 percent; Chinese wire rope by almost 300 percent; Chinese wire strand by 2,200 percent; and Chinese woven wire fabric by 5,000, to cite just a few examples. China is the subject of more antidumping actions globally (55% of all antidumping cases) than any other country. In the wire industry specifically, the US Government has issued antidumping and countervailing duty orders on: nails, prestressed wire strand, threaded rod, wire grating, wire shelving, innerspring units, rail tie wire, and wire garment hangers.

The AWPA, in its testimony before the USTR, recommended the following actions:

- Negotiate meaningful and enforceable reductions of excess capacity in the steel industries of China and other countries, INCLUDING wire and wire products capacity.
- Negotiate to eliminate the pervasive subsidy programs in China and other countries.
- Ensure that any remedy undertaken by the US Government takes into consideration the effect of that remedy on the downstream sectors of the steel manufacturing supply chain.
- Insist on the elimination of Chinese border tax schemes that promote exports of finished downstream products while discouraging exports of raw materials and other inputs.
- Ensure that US Customs has the resources to investigate and take enforcement action.
- Take remedial action to ensure that China and other trading partners cease to manipulate their currencies.

AWPA White Paper: China Trade issues June 7, 2016 Page 3

III. Background on China's NME Status

In its accession agreements with the United States, the European Union, and other World Trade Organization (WTO) members, China agreed to certain conditions – including the 15-year period of being treated as a non-market economy for purposes of antidumping proceedings. China takes the position that, at the end of the 15-year period in December 2016, it automatically qualifies for market economy status (MES) for antidumping purposes. MES would allow China to enjoy the same market status as the US and European Union when it comes to antidumping investigations.

In a broad sense, the definition of a market economy means that prices are determined through free competition and profit-motivated investment decisions; production and distribution are determined by supply and demand; and economic and price decisions are conducted by a country's businesses and not by the government. This is in direct contrast with a centrally planned economy in which the government shapes and controls everything including costs, prices, wages, output quotas, currency values, etc.

Prices or costs which are not set by the market cannot be used in antidumping methodologies for calculating dumping margins. Therefore, in cases involving Chinese imports, dumping calculations are based on something other than Chinese prices or costs, such as costs in market-economy countries, at a level of economic development comparable to China.

The US government can and should continue to exercise its right to assess the nonmarket aspects of China's economy, which may be relevant to any US trade enforcement action. China should continue to be considered a non-market economy because the Chinese economy is still dominated by the Communist Party which plays a major and direct role in many critical aspects for the economy. These include the operations of the financial system; access to upstream resources and energy sectors; and ownership and control of many strategic industries. In other words, China has not yet met the basic requirements to be considered a market economy, as set forth by the US Department of Commerce.

It is up to the governments of individual countries to make the decision as to whether or not China is granted MES. Certain WTO member countries have already conferred MES on China, largely through existing trade agreements. However, the countries that actively use the antidumping laws are the ones that will likely make a decision by the end of this year on China's market economy status.

Politically and economically, the European Union (EU) and the US will be the most important decision-makers. The European Parliament has already voted overwhelmingly to reject MES for China, which is a significant step for the European Commission and the separate EU governments to do the same later this year.

US law requires the International Trade Administration, within the US Department of Commerce (Commerce), to consider six criteria in determining if a country has achieved

AWPA White Paper: China Trade issues June 7, 2016 Page 4

market economy status:

- 1. The extent to which the currency is convertible into the currency of other countries;
- 2. The extent to which wages in the country are determined by free bargaining between labor and management;
- 3. The extent to which joint ventures or other foreign investments are permitted;
- 4. The extent of government ownership or control over the means of production;
- 5. The extent of government control over the allocation of resources and over the price and output decisions of enterprises; and
- 6. Other factors considered appropriate by the administering authority.

However, for Commerce to begin the process, a formal request to consider China a market economy must be made in a trade proceeding, such as an original investigation or an administrative review of an existing antidumping order.

VI. Action

AWPA members urge Members of Congress to recognize the magnitude of harm caused by the enormous volume of imports of wire and wire products imports as well as other steel products from China.

- Should China's market status be addressed in legislation, we ask your support in continuing China's current designation as a Non-Market Economy (NME) country.
- We also ask Congress to support the efforts of the USTR to effectively address the issue of Steel Overcapacity in China.



FOR IMMEDIATE RELEASE June 6, 2016

CONTACT: Kimberly Korbel, 703-299-4434

US Wire and Wire Products Manufacturers Support New Regulatory Reform Movement

The Rethink Red Tape Coalition Formed to Examine the Impact Regulations Have on Small Manufacturers and to Provide Small Business Owners a Platform to Drive Smarter Regulation.

Alexandria, VA — In response to the growing number of government regulations that unfairly burden America's small businesses, manufacturers and startups, the American Wire Producers Association (AWPA) is adding its support to the newly launched **Rethink Red Tape** coalition and advocacy campaign, a project of the National Association of Manufacturers (NAM) and Small Business & Entrepreneurship Council (SBE Council), in partnership with the International Franchise Association and Women Impacting Public Policy.

The multimillion-dollar campaign, which will engage lawmakers in Washington, DC, and up to a dozen states, will highlight the challenges regulations pose to small businesses and small manufacturers and empower entrepreneurs, small business employees and key stakeholders to advocate legislative reforms that will lead to smarter regulations that help small manufacturers throughout the United States thrive.

Jay Timmons, NAM president and CEO, issued the following statement on the project's launch:

"Smart, transparent and effective regulations are important to a successful system of free enterprise. However, manufacturers today bear a disproportionate share of the burden of regulatory compliance costs, and that's costing us jobs and opportunity. Manufacturers are committed to protecting our health and safety, but it's time to improve the regulatory process and start listening to America's small businesses. With efforts like **Rethink Red Tape**, we hope to make these important reforms a reality."

Karen Kerrigan, SBE Council president and CEO, issued the following statement on the project's launch:

"The men and women who own and operate American startups say complex and expensive regulations are among the biggest challenges they face when starting or growing their businesses or creating new jobs. Through **Rethink Red Tape,** we hope to change that."

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Milton Magnus, President of the AWPA, stated the following regarding the campaign: "In today's global economy, small to medium size businesses struggle to maintain our position as we provide good wages and benefits to our workers; provide a safe place to work; and at the same time work to stay in compliance with the continuing burden of mandated regulations. Many times we have to hire consultants to help us stay in compliance. Most small companies can't afford full time staff for this purpose. Joining with others in the **Rethink Red Tape** coalition, is a cost effective way to address these important issues."

<u>Educational resources and facts</u> showing the impact today's regulatory environment has on the small business economy are featured on <u>www.RethinkRedTape.com</u>, alongside <u>personal stories from small business owners</u> who know the burden of overregulation firsthand.

With <u>more than 56 million American jobs</u> dependent on small firms and the vast majority of manufacturing companies qualifying as small businesses, Washington's broken regulatory system is a threat to US economic health and US manufacturing. It also harms our ability to meet policy objectives efficiently and effectively, such as protecting public health, worker safety and the environment. **Rethink Red Tape** exists to reform the regulatory process and make it fairer, clearer and less obstructive to innovation and small manufacturing growth. Solutions promoted through **Rethink Red Tape** will reflect these five guiding principles:

- Meaningful public and small business engagement in the rulemaking process
- Prioritization of unbiased, scientific information in rulemaking
- · Consideration of public costs and benefits
- Transparency and clarity in how rules will be enforced and how compliance can be attained
- Regular evaluation of whether regulations are working

Rethink Red Tape is a multiyear campaign that will educate Americans about the impact regulations have on small businesses and small manufacturers and about solutions that will lead to regulatory reform.

Small manufacturers, their employees and members of the public who would like to share their own regulatory experiences are encouraged to join **Rethink Red Tape**.

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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 85 member companies of the Association employ more than 22,000 workers in over 215

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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.

Rethink Red Tape is a diverse coalition of organizations and individuals believing the federal government's regulatory process must be reformed so important goals, such as public health, environmental protection and consumer safety, are better balanced with the need to encourage more entrepreneurship and economic growth. Through an education and advocacy campaign, Rethink Red Tape will examine the impact regulations have on small businesses, American communities and the national economy and provide entrepreneurs a voice and platform to advocate reforms in the regulatory process. For more information, please visit <u>www.RethinkRedTape.com</u>. Follow on Twitter: <u>@RethinkRedTape</u>.



American Wire Producers Association PO Box 151387 Alexandria, VA 22315

> SAMPLE (originals will be

appropriate Hill Visit provided in

June 7, 2016

The Honorable <<Full Name>> US House of Representatives Washington, DC 20515

Dear Representative <<Last Name>>:

On behalf of the member companies of the American Wire Producers Association (AWPA), I want to take this opportunity to thank you for supporting and voting for the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644), which included the language of the ENFORCE Act. Passage of this measure has been the number one legislative priority for AWPA, over the last 5 years.

The Enforcing Orders and Reducing Circumvention and Evasion (ENFORCE) Act was designed to improve enforcement of US trade laws by increasing transparency and timely action by Customs and Border Protection (CBP) for allegations of evasion of antidumping (AD) and countervailing duty (CVD) orders. We have been working with CBP on the implementation of the new law and look forward to using this new tool beginning in August of this year.

A number of AWPA member companies have invested considerable time, resources and funds to stop the illegal dumping and subsidizing of wire and wire products by foreign competitors. Our members successfully have obtained multiple AD and 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 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.

Your support of this critical piece of legislation will lead to better enforcement of our trade laws. We look forward to working with you and your staff on future trade issues that impact our nation's manufacturers.

Sincerely,

Milton Magnus AWPA President President, M&B Metal Products

WIRE IS EVERYWHERE



White Paper US House Wire and Wire Products Caucus June 2016

I. Summary

Following a successful series of trade briefings held during the 113th and 114th Congresses, the Congressional Wire and Wire Products Caucus remains active and we anticipate its renewal in the 115th Congress. The Caucus is chaired by Reps. Sam Graves (R-6-MO) and Jim Cooper (D-5-TN). To date, these legislators have officially joined:

Lou Barletta (R-11-PA) Diane Black (R-6-TN) - Member of House Ways and Means Committee Marsha Blackburn (R-7-TN) Cheri Bustos (D-17-IL) Andre Carson (D-7-IN) Chuck Fleischmann (R-3-TN) 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 Member of House Ways and 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) - Member of House Ways and Means Committee and Trade Subc. Robert Pittenger (R-9-NC) James Renacci (R-16-OH) - Member of House Ways and Means Committee Tom Rice (R-7-SC) – Member of House Ways and Means Committee Peter Roskam (R-6-IL) - Member of House Ways and Means Committee Keith Rothfus (R-12-PA) Lucille Roybal-Allard (D-40-CA) "Dutch" Ruppersberger (D-2-MD) Linda Sanchez (D-38-CA) - Member of House Ways and Means Committee Terri Sewell (D-7-AL) Jason Smith (R-8-MO) - Member of House Ways and Means Committee Steve Stivers (R-15-OH) Mark Takano (D-41-CA) Peter Visclosky (D-1-IN) Mark Walker (R-6-NC) Ed Whitfield (R-1-KY) Joe Wilson (R-2-SC

WIRE IS EVERYWHERE

AWPA White Paper on US House Wire and Wire Products Caucus Page | **2**

Its goals are twofold:

1. <u>Educational Caucus</u>. Briefings are organized for legislators and Congressional 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. <u>Proactive on Certain Trade Issues</u>. 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 Congressional Wire and Wire Products Caucus works to help educate Congress, the 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

During the 114th Congress, the Caucus hosted a Trade Briefing on Tuesday, June 2, 2015 to discuss the various trade bills under consideration at that time, including Trade Promotion Authority (TPA), Customs Reauthorization, and ENFORCE. Another briefing is scheduled for June 7, 2016. A USTR official will inform about the recent hearings on the issue of Global Steel Overcapacity and how the agency is enforcing trade agreements, while also engaging and communicating with industry.

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 Co-Chairs Reps. Graves and Cooper to encourage 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.

AMERICAN WIRE PRODUCERS ASSOCIATION

Talking Points CHINA, Global Steel Overcapacity and NME

Background

- Chinese imports are the single most critical issue facing the wire and wire product industry.
- Imports from China have surged as the result of China's steel overcapacity, subsidy programs, mercantilist policies, unfair trade practices and currency manipulation.
- Between 2001 and 2015, imports of Chinese wire and wire products increased by triple and quadruple percentages.
- The USTR convened hearings to assess the effects of Global Steel Overcapacity on US manufacturers and AWPA testified.
- China's SURPLUS steel capacity is greater than the TOTAL steel capacity of the US, Japan and Europe, combined.
- China wants to be given Market Economy Status (MES) at the end of the year.
- As a Non-market Economy (NME), the US does not use Chinese home market prices when calculating dumping margins because their prices do not reflect actual costs.
- It is up to individual governments to make the decision as to whether or not China is granted Market Economy Status or remains designated as a Nonmarket Economy.

Congressional Action

- Should China's market status be addressed in legislation, we ask your support in continuing China's current designation as a Non-market Economy (NME).
- We ask Congress to support the efforts of the USTR to effectively address Global Steel Overcapacity with China.

AMERICAN WIRE PRODUCERS ASSOCIATION Talking Points New Regulatory Reform Movement

Background

- AWPA and its member companies have joined a new coalition Rethink Red Tape.
- The coalition will highlight the challenges regulations pose to small businesses and will advocate legislative reforms that will lead to smarter regulations.
- Small and medium size businesses struggle to maintain our position as we provide good wages and benefits to our workers; provide a safe place to work; and at the same time work to stay in compliance with the growing burden of mandated regulations..

Congressional Action

• AWPA asks Members of Congress to be aware of the Coalition and to support common sense regulatory reform measures that are introduced in the Congress.

AMERICAN WIRE PRODUCERS ASSOCIATION

Talking Points – HOUSE, ONLY Congressional Wire and Wire Products Caucus

If your Representative is NOT already a Caucus Member:

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 39 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

 Ask your Representative to join the Caucus, by contacting Andrew Fisher in Rep Graves's office and Janet Kopenhaver, AWPA Director of Government Affairs at <u>ikopenhaver@awpa.org</u>.

If your Representative IS already a Caucus Member

- THANK them for supporting the wire and wire products industry and keeping informed about our issues.
- ASK them to send staffers to future Caucus Briefings.