

The Sharon Herald

March 3, 2012

By: Michael Roknick

MERCER COUNTY — For Pennsylvania politicians this was an easy one.

Backing legislation that would scotch a trade ruling preventing the U.S. Commerce Department from applying duties on imports getting subsidies from foreign governments is a no-brainer in America's manufacturing heartland.

U.S. Sen. Bob Casey and U.S. Rep. Jason Altmire, 4th District, are among the legislators throwing their support behind a measure that would nix a December ruling from the Court of Appeals for the Federal Circuit. The court ruled U.S. law prohibits the Commerce Department from applying countervailing duties against products from non-market economies, which includes China.

There are currently two dozen trade cases which allows duties to be imposed on subsidized products.

The ruling does not affect trade dumping cases. Dumping is when a company sells a product for less than it cost to produce.

The case is being watched closely as it directly affects Wheatland Tube Co. The local pipe and tube maker was part of a trade case which won such a judgment against Chinese subsidized pipes. Another 23 trade cases are also affected by the ruling which totals billions of dollars in collected duties.

Casey and Altmire, two Democrats along with Republican politicians in both the Senate and House of Representatives, said legislation they are backing would prevent courts from disallowing these duties.

Both said they found it hard to believe Congress needed to craft legislation for a common sense idea like duties on illegally subsidized foreign products.

"You would think the federal government would do this on its own," Casey said of duties.

He also pummeled China for an abusive pattern of trade, such as artificially undervaluing its currency which gives its products an unfair advantage on prices.

"China has cheated on its currency and they steal our intellectual property," he said. "We're tired of it. We can't sit around and plead with them. We have to take action."

Altmire noted this trade case has an immediate impact on the Shenango Valley where Wheatland Tube employs 700.

"We've already seen in the Shenango Valley the devastating impact of unfair trade," Altmire said. "If this is unresolved we will see job losses to our manufacturing base."

It could come down to a race between the two branches of government.

December's ruling was made by three members of the court, but a motion for a rehearing by all 12 judges is expected to be made on Monday. The court allowed collection of duties to continue while the rehearing is sought.

Should the full appellate court reject American manufacturers' arguments to overturn the previous decision, lawyers will have to ask the same court for a stay to prevent the duties from being refunded. From that point an appeal would be made to the U.S. Supreme Court.

However, if Congress acts swiftly the proposed law could go into effect before the appellate court or Supreme Court gives a final ruling.

"If we have to, we could fast-track this," Altmire said.