



ML Strategies Update

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CHINA UPDATE

QUOTE OF THE WEEK

"For all people who seek freedom, Tiananmen Square still stirs our conscience. That is why the United States and the international community commemorate the tragic loss of hundreds of lives and the heavy price paid by those who braved the violence in pursuit of the freedom to express their views. We express our sorrow to the families still grieving the loved ones, the lost, and especially to the Tiananmen Mothers. We all recognize and appreciate that China has made marked social and economic progress in the past several decades. Continued progress will be defined by openness not just to the world, but to the voices and diverse perspectives of China's citizens. Open discussion and examination of the events of 1989 and a full public accounting of those killed, detained, or missing would be a sign of strength and healing, not weakness and division. A peaceful, prosperous future is made more promising by healing the wounds of the past. We call on Chinese authorities to release from prison all those still serving sentences in connection with the events surrounding June 4, 1989, and end the ongoing pattern of harassment, detention, and official retribution against those who participated in the demonstrations, their family members, and those who continue to bravely speak out. We also urge China to release those who were detained in advance of the anniversary of June 4, and to uphold its international commitments to protect fundamental freedoms of all in China. All societies are stronger when every citizen has a say and a stake in their country's direction." – Secretary of State John F. Kerry on the 25th Anniversary of the Tiananmen Square Massacre

U.S.-CHINA RELATIONS

White House Statement on Terrorist Attack in China

On May 22, the White House issued the following statement: "The United States condemns the horrific terrorist attack in Urumqi, China today. We are aware of reports that the attack resulted in

the death of 31 citizens and the injury of 90 more. This is a despicable and outrageous act of violence against innocent civilians, and the United States resolutely opposes all forms of terrorism. We offer our condolences and sympathies to the victims, their families, and all those affected by this attack.”

25th Anniversary of Tiananmen Square

On June 4, the State Department issued the following statement: “Twenty-five years ago, the United States deplored the use of violence to silence the voices of the peaceful demonstrators in and around Tiananmen Square. Twenty-five years later, the United States continues to honor the memories of those who gave their lives in and around Tiananmen Square and throughout China, and we call on Chinese authorities to account for those killed, detained, or missing in connection with the events surrounding June 4, 1989. The United States will always speak out in support of the basic freedoms the protestors at Tiananmen Square sought, including the freedom of expression, the freedom of the press, and the freedoms of association and assembly. These freedoms—which are enshrined in the U.S. Constitution, the Chinese Constitution, and the Universal Declaration of Human Rights—are values the United States champions around the world. The American people and government applaud China’s extraordinary social and economic progress over the past three decades and value good relations with the Chinese people and government. Even as we continue our cooperation on areas of common interest, the United States will continue to be clear about our differences, and urge the Chinese government to guarantee the universal rights and fundamental freedoms that are the birthright of all Chinese citizens.”

Statements from members of the Congressional-Executive Commission on China (CECC) can be found [here](#).

USCC Report on Reported China Missile Sale

On June 16, the U.S.-China Economic and Security Review Commission (USCC) released a Staff Report on “China’s Reported Ballistic Missile Sale to Saudi Arabia: Background and Potential Implications.” The report can be found [here](#).

Center for National Policy Discussion on Rebalance to Asia

On June 23, the Center for National Policy will hold an event in the U.S. Capitol Visitors Center titled “Prosperity, Security, and the Asia Rebalance: Considerations for Congress.” In advance of the upcoming U.S.-China Strategic and Economic Dialogue, the CNP discussion will focus on the Trans-Pacific Partnership (TPP) trade agreement, and will feature: Steve Glickman, Adjunct Assistant Professor, Georgetown University School of Foreign Service, and former director for international economic affairs at the White House; Ziad Haider, Associate, International Investments and National Security, White & Case LLP, and co-director of the Asia Expert Group at the Truman National Security Project; and Anka Lee, Director, Albright Stonebridge Group.

CHINESE EMBASSY NEWS

U.S. Foreign Policy Colloquium

On May 30th, Chinese embassy Charge d'affaires Lu Kang hosted a reception for the participants of the eleventh U.S. Foreign Policy Colloquium (FPC). Jan Berris, Colloquium organizer and vice president of National Committee on U.S.–China Relations (NCUSC) as well as more than 130 Chinese students from universities and colleges all over the United States joined the reception.

Air China Non-Stop Service Between Beijing and Washington

On June 10, Chinese Ambassador to the U.S. Cui Tiankai attended a gala reception celebrating Air China's inaugural of non-stop service between Beijing and Washington, D.C. Mayor Vincent Gray of Washington, D.C., Secretary of Commerce and Trade Maurice Jones of the Commonwealth of Virginia, Vice Chairwoman Wang Yinxiang of Air China Group, Minister Lu Kang and Minister Wu Xi of the Chinese Embassy as well as more than 300 guests attended the reception.

Chinese Ambassador Delivers Remarks on U.S.-China Relations

On June 11, Ambassador Cui Tiankai delivered a key-note speech on Capitol Hill at a reception commemorating the 35th anniversary of the normalization of U.S.-China relations jointly hosted by the U.S.-Asia Institute and both the Senate and House US-China Working Groups. A press release from the Chinese embassy can be found [here](#).

TRADE

Commerce Determination on Calcium Hypochlorite from China

On May 20, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of calcium hypochlorite from China. Commerce calculated a preliminary subsidy rate of 71.72 percent based on adverse facts available for mandatory respondents Hubei Dinglong Chemical Co., Ltd., W&W Marketing Corporation, and Tianjin Jinbin International Trade Co., Ltd. because the respondents refused to participate as respondents. All other producers/exporters in China have also been assigned a preliminary subsidy rate of 71.72 percent. As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates. The petitioner for this investigation is Arch Chemicals, Inc. The merchandise subject to this investigation is calcium hypochlorite, regardless of form, whether or not blended with other materials, containing at least 10% available chlorine measured by actual weight. Commerce is scheduled to announce its final determination in this investigation on or about September 29, 2014, unless the statutory deadline is extended. If Commerce makes an affirmative final determination and the U.S. International Trade Commission (USITC) makes an affirmative final determination that imports of calcium hypochlorite from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce's or the ITC's final determination is negative, no CVD order will be issued. The USITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

Commerce Determination on 1,1,1,2-tetrafluoroethane from China

On May 22, Commerce announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of 1,1,1,2-tetrafluoroethane from China. Commerce preliminarily determined that 1,1,1,2-tetrafluoroethane from China has been sold in the United States at dumping margins ranging from 133.47 percent to 237.33 percent. As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates. The petitioner for this investigation is Mexichem Fluor Inc. Commerce is scheduled to announce its final determination on or about October 3, 2014. If Commerce makes an affirmative final determination, and the USITC makes an affirmative final determination that imports of 1,1,1,2-tetrafluoroethane from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce's or

the ITC's final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determinations in November 2014.

U.S. Wins WTO Automobile Case Against China on

On May 23, the U.S. Trade Representative (USTR) announced that the U.S. had won a major case at the World Trade Organization (WTO) on behalf of U.S. auto manufacturers and the nearly 850,00 American automotive industry workers around the country. A WTO dispute settlement panel agreed with the United States that China's imposition of antidumping duties (ADs) and countervailing duties (CVDs) on American-made cars and sport-utility vehicles (SUVs) breached numerous international trade rules. According to USTR, the case "marks the third recent WTO challenge that USTR has brought and won on China's misuse of ADs and CVDs in an ongoing effort to ensure that America's working families are able to seize all of the job-supporting opportunities available under U.S. trade agreements." A press release from USTR can be found [here](#).

India Recommends Solar Levies

Also on May 23, following an 18-month investigation, India's Commerce Ministry proposed antidumping levies for photovoltaic cells imported from the United States, China, Taiwan, and Malaysia. The duties required to offset dumping and material injury to local manufacturers are \$0.11 to \$.048/watt for American imports; \$0.64 to \$.081/watt for Chinese imports; \$0.62/watt for Malaysian imports; and \$.059/watt for Taiwanese imports.

USITC Report on Recent Trends in U.S. Services Trade

On May 28, the U.S. International Trade Commission (USITC or Commission) released its 2014 annual report "Recent Trends in U.S. Services Trade." The report finds that, although most of the world's top 10 services exporters in 2012 were developed countries, China was the fifth-largest services exporter (a drop from fourth in 2011). Further, the report finds that China was the third-largest importer of commercial services in 2012. The report can be found [here](#).

Commerce Determination on Chinese Crystalline Silicon PV Products

On June 3, 2014, Commerce announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain crystalline silicon photovoltaic products from China. Commerce calculated a preliminary subsidy rate of 18.56 percent for mandatory respondent Changzhou Trina Solar Energy Co., Ltd., which includes Trina Solar (Changzhou) Science & Technology Co., Ltd. Mandatory respondent Wuxi Suntech Power Co., Ltd. and five of its affiliates received a preliminary subsidy rate of 35.21 percent. All other producers/exporters in China have been assigned a preliminary subsidy rate of 26.89 percent. As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates. The petitioner for this investigation is SolarWorld Industries America Inc. The merchandise covered by this investigation is crystalline silicon photovoltaic cells, and modules, laminates and/or panels consisting of crystalline silicon photovoltaic cells, whether or not partially or fully assembled into other products, including building integrated materials. For purposes of this investigation, subject merchandise also includes modules, laminates and/or panels assembled in the subject country consisting of crystalline silicon photovoltaic cells that are completed or partially manufactured within a customs territory other than that subject country, using ingots that are manufactured in the subject country, wafers that are manufactured in the subject country, or cells where the manufacturing process begins in the subject country and is completed in a non-subject country. Commerce is scheduled to announce its final determination in

this investigation on or about August 18, 2014, unless the statutory deadline is extended. If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (USITC) makes an affirmative final determination that imports of certain crystalline silicon photovoltaic products from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce's or the USITC's final determination is negative, no CVD order will be issued. The USITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

USITC to Issue Antidumping Orders on Concrete Steel Rail Tie Wire from China

On June 3, the USITC determined that a U.S. industry is materially injured by reason of imports of prestressed concrete steel rail tie wire from China and Mexico that the U.S. Department of Commerce has determined are sold in the United States at less than fair value. As a result of the USITC's affirmative determinations, antidumping duty orders will be issued on imports of this product from China and Mexico.

USCC Monthly Analysis of U.S.-China Trade Data

On June 4, the U.S.-China Economic and Security Review Commission (USCC) issued its June 2014 monthly analysis of U.S.-China trade data. The report finds that "the U.S. trade deficit in goods with China increased substantially in April. At \$27.3 billion, it was \$3.1 billion higher than a year ago, and \$6.9 billion higher than last month. The cumulative deficit has expanded by \$3 billion so far this year, on track to set another annual record. U.S. exports to China fell by 16.7 percent month-on-month, and compared to the prior year, grew by just 0.9 percent. In contrast, U.S. imports from China grew by 9.6 percent year-on-year." The report discusses the recent WTO decision in favor of the US in its dispute with China over duties on automobiles, the U.S. imposition of duties on Chinese solar panels, and covers policy trends in China's economy. The report can be found [here](#).

USITC Sunset Reviews on Products from China

On June 6, USITC voted to conduct full five-year ("sunset") reviews concerning the antidumping duty orders on polyvinyl alcohol from China, Japan, and Korea; a five-year ("sunset") review concerning the antidumping duty order on malleable iron pipe fittings from China; a five-year ("sunset") review concerning the antidumping duty order on certain steel threaded rod from China. As a result of these votes, the Commission will conduct full reviews to determine whether revocation of these orders would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

USITC to Investigate Silicon Tuners from China

Also on June 6, USITC voted to institute an investigation of certain silicon tuners and products containing same, including television tuners. The products at issue in this investigation are used, for example, in products that allow consumers to receive broadcast television programs and watch or record them on a computer. By instituting this investigation, the USITC has not yet made any decision on the merits of the case. The USITC's Chief Administrative Law Judge will assign the case to one of the USITC's administrative law judges (ALJ), who will schedule and hold an evidentiary hearing. The ALJ will make an initial determination as to whether there is a violation of section 337; that initial determination is subject to review by the Commission. The USITC will make a final determination in the investigation at the earliest practicable time. Within 45 days after institution of the investigation, the USITC will set a target date for completing the investigation. USITC remedial orders in section 337 cases are effective when issued and become final 60 days after issuance unless

disapproved for policy reasons by the U.S. Trade Representative within that 60-day period.

USITC to Continue Investigation of Dry Containers from China

Also on June 6, the USITC determined that there is a reasonable indication that the establishment of a U.S. industry is materially retarded by reason of imports of 53-foot domestic dry containers from China that are allegedly subsidized and sold in the United States at less than fair value. As a result of the Commission's affirmative determinations, the U.S. Department of Commerce will continue to conduct its investigations on imports of these products, with its preliminary countervailing duty determination due on or about July 17, 2014, and its antidumping duty determinations due on or about September 30, 2014.

CECC Hearing on Pet Treats and Processed Chicken from China

On June 17, the Congressional-Executive Commission on China (CECC) will hold a hearing on "Pet Treats and Processed Chicken from China: Concerns for American Consumers and Pets." According to the CECC, "Recently major pet stores have announced they would stop selling dog and cat treats made in China following the deaths of 1,000 dogs linked to pet treats from China. Chickens raised in the United States may now be shipped to China for processing before being sold in the United States. Researchers are also exploring the connection between the domestic outbreak of Porcine Epidemic Diarrhea virus with China. These developments have highlighted concerns over the effectiveness of China's food safety regulation, the effectiveness of U.S. government regulation of imported foods from China, and the overall safety of such foods. Moreover, they raise questions about whether current labels are adequate in helping American consumers determine when foods or its constituent components come from China." Witnesses for the hearing are: Dr. Daniel L. Engeljohn, Assistant Administrator, Office of Field Operations, Food Safety and Inspection Service, U.S. Department of Agriculture ; Tracey Forfa, J.D., Deputy Director, Center for Veterinary Medicine, U.S. Food and Drug Administration, U.S. Department of Health & Human Services; Shaun Kennedy, Director of the Food System Institute, LLC; Adjunct Associate Professor, Department of Veterinary Population Medicine, College of Veterinary Medicine, University of Minnesota; Patty Lovera, Assistant Director, Food & Water Watch; and Christopher D'Urso, Student and Consumer Advocate.

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