

# AWPA Policy Briefing

Government Affairs Conference (GAC) Hill Day Messaging

September 4, 2024



# Government Affairs Conference (GAC) Prep

- **September 4**: Congressional Visits Issues Briefing Webinar (today)
- **September 10**: Congressional Visits Logistics Briefing Webinar (3:30 p.m. ET)
- **September 18-20**: AWPA Government Affairs Conference
  - **Congressional Visits**: Thursday, September 19 (12:00 – 4:30 p.m.)
  - **GAC Reception**: Thursday, September 19 (5:30 – 7:00 p.m.)

# Today's Agenda

- About AWPA
- Trade Enforcement: Challenges and Legislative Solutions
  - Leveling the Playing Field Act 2.0
  - Fighting Trade Cheats Act
  - Protecting American Industry and Labor from International Trade Crimes Act
- Steel Import Monitoring and Analysis (SIMA) System
- Wire and Wire Products Caucus
- Member Tours

# About AWPA

- Describe AWPA and highlight GAC 2024
- Add details about your company and its presence in the state / district, your products, as well as major suppliers, customers / end markets

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## ABOUT AWPA

The AWPA is an international trade association representing between 80 and 90% of the production of carbon, alloy, and stainless steel wire and wire products in the United States. The 83 member companies of the Association employ more than 22,000 workers in over 250 plants and facilities located in 35 states in 138 Congressional Districts, and 4 Canadian provinces and Mexico, generating over \$9.1 billion in annual sales. Wire and wire products are found everywhere you look, from the springs in our mattresses to the fencing on our farms and from the elevators we ride to the highways we drive.

# Trade Enforcement

## The Challenge

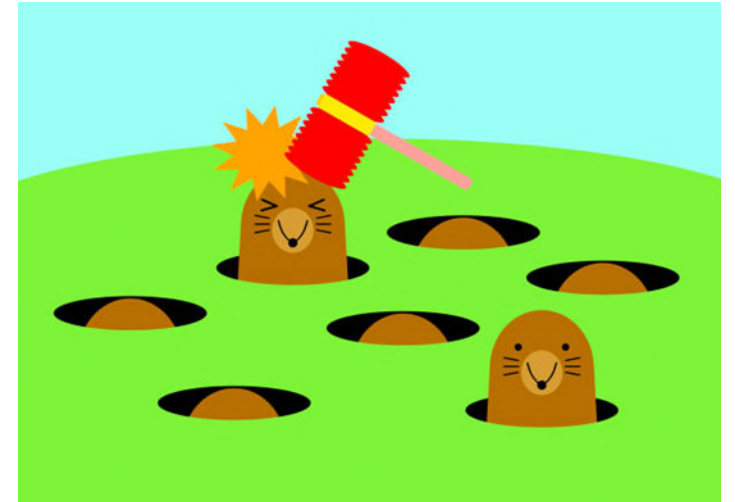
- Bad actors are using increasingly novel tactics to evade U.S. trade laws
  - China's predatory economic behavior is especially egregious
- It is difficult for U.S. companies and workers to fight back, resulting in the continued loss of market share

# Trade Enforcement

- AWWPA members, and U.S. producers broadly, have relied on a variety of trade tools to address these growing trade challenges
  - Antidumping and countervailing duty (AD/CVD) laws
  - Enforce and Protect Act (EAPA) of 2015
    - ◆ Framework for Customs to investigate allegations of evasion of AD/CVD orders
    - ◆ Several successful EAPA investigations on wire products, including the first ever determination (M&B / wire hangers) in 2017
    - ◆ Process is helpful, but costly and time-consuming
  - 232 (steel) and 301 (China) tariffs

# Trade Enforcement

- Current trade enforcement tools are critical, but more is needed to end the whack-a-mole
- **AWPA is supporting three bipartisan, bicameral trade enforcement bills:**
  - Leveling the Playing Field 2.0 Act
  - Fighting Trade Cheats Act
  - Protecting American Industry and Labor from International Trade Crimes Act



# Leveling the Playing Field 2.0 Act

- **Leveling the Playing Field Act 2.0 (S. 1856 / H.R. 3882)** would update and modernize U.S. trade laws to ensure that domestic industries are able to pursue and rely on remedies to address new / evolving unfair trade practices
  - Cross-border subsidies
    - ◆ Provides Commerce the authority to **apply CVD law to subsidies** provided by a government to a company operating in a different country (e.g., China’s “Belt and Road”)
  - “Country hopping” to evade application of antidumping and countervailing duty orders
    - ◆ Creates new “**successive investigation**” in AD/CVD proceedings to make it easier for petitioners to bring new cases when production moves to another country
    - ◆ Provides **expedited timelines** for successive investigations



# Leveling the Playing Field 2.0 Act

## Rationale for Support

- AD and/or CVD orders on a host of industry products including wire rod, PC strand, wire mesh, springs / mattresses, threaded rod, nails, hangers
- While companies that manufacture in America spend millions to win an AD/CVD case and wait more than a year for duties to be applied to correct a market disruption, Chinese companies can quickly move their production to other countries to evade our remedies and continue targeting the U.S. market
- *See September 2024 multi-association letter*

## AWPA Ask

- Thank you for / please consider co-sponsoring the Leveling the Playing Field 2.0 Act
- We hope to see this bill included as part of any trade package in the months ahead

# Fighting Trade Cheats Act

- **Fighting Trade Cheats Act (S. 805 / H.R. 2667)** would give Customs and Border Protection (CBP) more tools to combat and deter customs fraud
  - Enhances **monetary penalties** for fraudulent and grossly negligent violations
    - ◆ Establishes increased monetary penalty for customs fraud to three-times (3x) domestic value of the merchandise at issue
  - Temporarily **suspends imports** by bad actors and their affiliates
    - ◆ Makes any person/affiliates found to have committed a fraudulent or a grossly negligent violation of the U.S. customs laws ineligible for a Customs importer of record number

# Fighting Trade Cheats Act

- Brings to bear **private resources**
  - ◆ Authorizes an interested party harmed by a U.S. importer's violation of the U.S. customs laws to pursue a **remedy through a private right of action** in any venue in which the interested party has suffered damage
    - Remedy would be limited to cases involving gross negligence or knowing misconduct, and within the context of circumvention
    - CBP able to control litigation
    - Narrowly-tailored / includes guardrails to prevent frivolous litigation

# Fighting Trade Cheats Act

## Rationale for Support

- U.S. manufacturers and their workers devote extensive time and resources to obtain trade remedies
- However, offending parties frequently begin unlawful efforts to evade those orders almost immediately after the entry of an order
- EAPA is helpful, but inadequate in the face of determined evasion efforts
- *Consider watching AWPA's May webinar on the bill for additional background*

## AWPA Ask

- Thank you for / please consider co-sponsoring the Fighting Trade Cheats Act
- We hope to see this bill included as part of any trade package in the months ahead

# Trade Crimes Bill

- **Protecting American Industry and Labor from International Trade Crimes Act (H.R. 9151 / S. 4955)**
  - Directs U.S. Department of Justice (DOJ) to establish a **new task force dedicated to investigating and prosecuting international trade crimes**, including customs fraud, duty evasion, and transshipment
  - Requires an annual report to Congress on DOJ's work in this space, including statistics on trade related crimes
  - Provides training and technical assistance to other federal, state, and local law enforcement agencies, expanding investigations and prosecutions, and allowing for parallel criminal and civil enforcement actions
  - Authorizes \$20 million for these efforts in FY2025

# Trade Crimes Bill

## Rationale for Support

- Triggered by information from the EAPA investigations of duty evasion with respect to imported steel wire garment hangers, DOJ has filed a civil complaint in U.S. Federal Court against an individual and his corporate creations for unpaid dumping duties and penalties
  - DOJ has also initiated a criminal investigation of the same individual
- Given the pervasive duty evasion, fraud, and transshipment of garment hangers and other steel products, it is essential for the DOJ to have the resources to track down and stop this illicit behavior on the part of foreign exporters and their complicit U.S. importers

## AWPA Ask

- Thank you for / please consider co-sponsoring the Fighting Trade Cheats Act
- We hope to see this bill included as part of any trade package in the months ahead

# Steel Import Monitoring

- Steel Import Monitoring and Analysis (SIMA) System run by the Department of Commerce (established in 2005)
- Through SIMA, Commerce collects and publishes “early warning” steel import data, allowing the domestic industry to monitor trade trends in near real time
- Currently, SIMA product coverage mirrors that of the Section 232 steel tariff program (SIMA’s scope was expanded in 2020)
- SIMA now reports country of melt
- AWPA has a great working relationship with the SIMA team at Commerce
  - April SIMA dashboard demo webinar

# Steel Import Monitoring

## Rationale for Support

- To strengthen SIMA's utility, AWPA is seeking to (1) expand SIMA tracking to cover downstream products such as wire mesh and PC strand; and (2) for those wire products currently covered by the SIMA system, ensure the data is accurate
  - Expanding SIMA to downstream wire products would provide more timely data to help better monitor import trends (e.g., 20+ orders on PC strand)
  - SIMA expansion would be particularly useful given new requirement for data on the original country of melt and pour
    - ◆ Melt and pour data helps identify evasion of AD/CVD orders, Section 232 duties/quotas, and Section 301 duties
  - Finally, ensuring the accuracy of all SIMA data will help the domestic industry monitor and understand important trade trends
    - ◆ e.g., SIMA showing countries of melt and pour with no melt capacity





# Steel Import Monitoring

## AWPA Ask

- AWPA is increasing its engagement with Commerce to ensure accuracy of SIMA data and utility of SIMA program for downstream products
- AWPA is joining with other steel industry trade associations to write to Congress to encourage continued collaboration
- May need Congressional outreach to Commerce to further these efforts

# Bipartisan Wire and Wire Products Caucus

- Purpose of the Caucus

- To educate Congress, the Executive Branch, and the broader policy community on the important contributions of domestic wire and wire products manufacturing to our nation's economic and national security



Caucus Chairman  
Sam Graves (R-MO)

- Current Members

- Reps. Graves (R-MO), Aderholt (R-AL), Davids (D-KS), Fleischmann (R-TN), Latta (R-OH), Mrvan (D-IN), Sorensen (D-IL), Wilson (R-SC)
- The bipartisan Caucus is currently limited to Members of the House

# Bipartisan Wire and Wire Products Caucus

## AWPA Ask (Members of the House only)

- Thank you for being a Member of the House Wire and Wire Products Caucus

OR

- Please consider joining the bipartisan House Wire and Wire Products Caucus

# Facility Tours

- Member tours are a great way to build relationships with your elected representatives
  - In the event a Member is unable to tour your facility, staff visits are also effective, and can forge relationships with subject matter experts in Congressional offices
- AWPA has resources to assist in planning a successful visit, including a helpful “Tips for Tours” document
- Recent AWPA tours: Reps. Womack (R-AR) and Perry (R-PA)

# Facility Tours

- AWPA Ask (to Members and staff)
  - Please consider visiting our facility, touring our operations, and meeting with our teams!



**Thanks! Questions?**

