

Committee on Pipe and Tube Imports (CPTI)

900 Seventh Street, N.W., Suite 500

Washington, DC 20001

Telephone: (202) 223-1700 – Fax: (202) 429-2522 – schagrin@erols.com

PRESS RELEASE

* * * * *

U.S. Steel Pipe and Tube Companies Assemble Task Force

To Take Action

Against Evasion of Antidumping Duties on Imported Products from China

For Release at 12:00 Noon

February 9, 2010

Contact information:

Roger B. Schagrin or Tamara Browne, CPTI at (202) 223-1700

Washington, DC - Today, U.S. producers of circular welded pipe (CWP) and light walled rectangular (LWR) tubing products who are members of the Committee on Pipe and Tube Imports (CPTI) announced the formation of a special industry task force to seek an end to the evasion of antidumping duties on imports of steel tubular products from China. The industry group is comprised of leading U.S. producers located in Alabama, Arkansas, California, Illinois, Iowa, Michigan, Ohio, Pennsylvania and Texas who have asked the U.S. Government to take appropriate law enforcement action to end these injurious and illegal practices.

Lee Searing, President of Searing Industries of Rancho Cucamonga, California stated “[i]n our over 40 years as a family owned business we have never witnessed such fraudulent evasion of

duties on imports which were found to be unfairly traded and which have injured our company, our workers and our community. As each day passes I find it increasingly more difficult to comprehend how and why our U.S. Government is allowing this outright violation of the trade laws to exist.”

The array of tubing products affected include pipe used in plumbing, in sprinkler, fence and structural applications and tubing used for ornamental fencing, in light construction for window guards and frames as well as for metal furniture, exercise equipment, store shelves, fencing and towel racks. These allegations of circumvention of duties are especially of concern to U.S. producers who obtained relief from unfairly traded imports from China in 2008. Duties imposed against imports of these products from China ranged from 100 % to 300%.

Barry Zekelman, President of the John Maneely Co. stated “[o]ur company is prepared to take whatever actions are necessary to end these customs fraud practices and send a strong message to all of our trading partners that the U.S. will not tolerate these assaults on our manufacturing sector which continue to jeopardize our company from obtaining any relief from existing orders on these products. He added “these duties were put into place to allow the industry to recover and allow our industry to contribute to the recovery of the U.S. economy - instead we are losing ground to people who cheat.”

The industry task force reported that they have been documenting entries of imports since the beginning of the 3rd Quarter 2009 that were of Chinese origin and usually shipped directly from China, but importers claimed false country of origin as Vietnam, Malaysia or Oman. In one case, the tube was entered in containers that were categorized as used books. They have shared this information with the U.S. Customs and Border Protection Service (CBP). In addition, the industry continues to work with Members of Congress to obtain legislative and regulatory relief to remedy this problem. A group of California U.S. Representatives sent a letter to Customs on December 18, 2009 alerting the agency to these allegations and asking that they take appropriate action to resolve the problem.

“These domestic producers agree that it is time to elevate this issue to the highest levels in the

U.S. Government and to specifically urge the Customs Service, Immigration and Customs Enforcement and the Department of Justice to not only make this a priority, but use their law enforcement authority to prosecute these offenders,” said Roger B. Schagrin, Executive Director and General Counsel of the Committee on Pipe and Tube Imports (CPTI) Washington, DC. He added “we are encouraged to learn of recent actions taken by the Obama Administration to elevate the dialogue with China on the impact of their unfair trade practices. These U.S. companies brought petitions, completed questionnaires twice for the U.S. International Trade Commission (ITC), traveled to Washington, DC on two occasions for hearings, dedicated financial resources to legal expenses, and demonstrated to the Commerce Department and the ITC that the Chinese industry was trading unfairly and that the U.S. industry was injured. There are companies in China that specialize in creating false paperwork to evade duties and the U.S. government should get the government of China to shut down these purveyors of fraud.”

The task force plans to take its message nationwide to the public about the importance of this issue to the national economy. Industry leaders will also have meetings in the coming weeks with Congressional leaders and federal officials to further discuss these issues.

#