
Presidential Documents

Title 3—**Presidential Determination No. 2006–7 of December 30, 2005****The President****Presidential Determination on Imports of Circular Welded Non-Alloy Steel Pipe from the People's Republic of China****Memorandum for the Secretary of Commerce[,] the Secretary of Labor[, and] the United States Trade Representative**

Pursuant to section 421 of the Trade Act of 1974, as amended (19 U.S.C. 2451), I have determined the action I will take with respect to the affirmative determination of the United States International Trade Commission (USITC) regarding imports of circular welded non-alloy steel pipe (steel pipe) from China (Investigation No. TA–421–6). After considering all relevant aspects of the investigation, I have determined that providing import relief for the U.S. steel pipe industry is not in the national economic interest of the United States. In particular, I find that the import relief would have an adverse impact on the United States economy clearly greater than the benefits of such action.

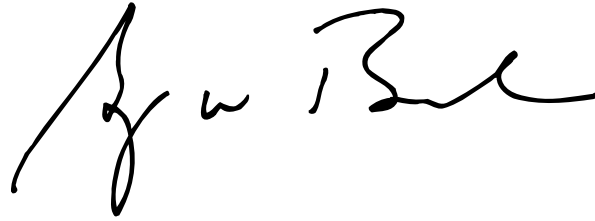
The facts of this case indicate that any import relief, including either of the USITC's proposed remedies, is likely to be ineffective because of the extent to which imports from third countries would likely replace curtailed Chinese imports. A large number of third countries—the USITC documents more than 50 of them—supply the U.S. market with steel pipe. Although antidumping duties currently apply to imports from eight of those countries, there are many other countries currently supplying steel pipe to the U.S. market that could fill the void created by curtailed Chinese imports. Under these circumstances, import relief would likely not provide a meaningful benefit to domestic producers.

In addition, imposing import relief would cost U.S. consumers substantially more than the increased income that could be realized by domestic producers. According to USITC estimates, the USITC's recommended quota remedy would generate costs for U.S. consumers five times greater than the additional income that could be realized by domestic producers. Under the USITC's recommended tariff rate quota remedy, the costs would be four times greater than the income generated by domestic producers.

While the particular circumstances of this case make clear that the U.S. national economic interest would not be served by the imposition of import relief under section 421, I remain fully committed to exercising the important authority granted to me under section 421 when the circumstances of a particular case warrant it.

I hereby direct the Secretary of Commerce and the Secretary of Labor to expedite consideration of any Trade Adjustment Assistance applications received from domestic producers or their workers, consistent with their statutory mandates.

The United States Trade Representative is authorized and directed to publish this memorandum in the **Federal Register**.

A handwritten signature in black ink, appearing to read "G. W. Bush". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

THE WHITE HOUSE,
Washington, December 30, 2005.

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