

DEPARTMENT OF LABOR**Employment and Training
Administration**

[TA-W-61,180]

**Welex, Inc., Blue Bell, Pennsylvania;
Notice of Revised Determination on
Remand**

On March 28, 2008, the United States Court of International Trade (USCIT) granted the Department of Labor's motion for voluntary remand for further investigation in *Former Employees of Welex, Inc. v. United States*, Court No. 07-00314.

The worker-filed petition for Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA), dated March 26, 2007, stated that workers at Welex, Inc., Blue Bell, Pennsylvania (the subject firm) produced "extruders and sheet takeoffs (plastic production)" and alleged that foreign competition contributed to the closure of the subject firm on January 31, 2007.

Documentation provided by the petitioners stated that "Welex equipment makes PET, polypropylene and polystyrene sheet for packaging, such as fast food drink cups, lids for disposable coffee cups and clear clamshell boxes."

On April 18, 2007, the Department of Labor (Department) issued a negative determination regarding eligibility to apply for TAA/ATAA for workers and former workers of the subject firm.

The initial investigation revealed that the subject workers produced plastic extrusion equipment; the subject firm did not import plastic extrusion equipment or shift production of plastic extrusion equipment to any foreign country; subject firm sales and production of plastic extrusion equipment increased in 2006 compared with 2005; and the dominant cause of separations at the subject firm was the complete transfer of plastic extrusion equipment production to a new domestic manufacturing facility. The Department's initial negative determination was based on the findings that increased imports did not contribute importantly to subject firm sales and/or production declines and to workers' separations.

The Department's Notice of negative determination was published in the **Federal Register** on May 9, 2007 (72 FR 26425).

In the request for administrative reconsideration, dated May 18, 2007, three workers alleged that increased imports contributed importantly to subject firm sales and production

declines, and to the subject workers' separations.

By letter dated July 3, 2007, the Department informed the workers that the request for reconsideration was dismissed on the basis that insufficient evidence was provided to warrant administrative reconsideration. On July 9, 2007, the Department issued a Notice of Dismissal of Application for Reconsideration. The Department's Notice of dismissal was published in the **Federal Register** on July 17, 2007 (72 FR 39080).

In the complaint to the USCIT, dated August 16, 2007, the Plaintiff alleged that the subject firm relocated to "the less expensive south" in order to "compete with the Chinese." The Plaintiff also alleged that "increased imports contributed importantly to an actual decline in sales or production and to our permanent layoff."

To be certified for TAA based on increased imports, the petitioning workers must meet the group eligibility criteria:

A. A significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated; and

B. the sales or production, or both, of such firm or subdivision have decreased absolutely; and

C. increased imports of articles like or directly competitive with articles produced by such firm or subdivision have contributed importantly to such workers' separation or threat of separation and to the decline in sales or production of such firm or subdivision.

On remand, the Department sent supplemental information requests for additional information and clarification regarding the subject firm's sales and production process, conducted several lengthy discussions with the subject firm, and contacted a trade association to gain insight into this industry. As a result of these efforts, the Department was able to obtain crucial information which was not previously available.

**TAA Criterion: Worker Separations at
the Subject Firm**

During the remand investigation, the Department confirmed that the subject firm ceased operations in January 2007 and permanently closed. Therefore, the Department determines that a significant number or proportion of the workers in such workers' firm, or an appropriate subdivision of the firm, have become totally or partially separated, or are threatened to become totally or partially separated.

**TAA Criterion: Absolute Sales and/or
Production Declines at the Subject Firm
or Appropriate Subdivision**

During the remand investigation, the Department received new information which revealed that, although sales and production at the subject firm increased in calendar year 2006 from calendar year 2005 levels, sales orders decreased in the latter part of 2006 and into the earlier part of 2007. Thus, the Department determines that subject firm sales and production declined absolutely.

**TAA Criterion: Increased Imports
Contributed Importantly to Subject
Firm Sales/Production Declines and
Workers' Separations**

29 CFR section 90.2 states that increased imports "means that imports have increased either absolutely or relative to domestic production compared to a representative base period. The representative base period shall be one year consisting of the four quarters immediately preceding the date which is twelve months prior to the date of the petition." 29 CFR 90.16(b)(3) states that "contributed importantly means a cause which is important but not necessarily more important than any other cause."

The TAA/ATAA petition date is March 26, 2007. Therefore, the Department must determine whether imports of plastic extrusion equipment (or articles like or directly competitive with the plastic extrusion equipment produced at the subject firm) have increased during March 26, 2006 through March 25, 2007 (relevant period) compared to the base period (the four quarters immediately prior to March 26, 2006). If the Department finds increased imports, the Department must then determine whether the increased imports contributed importantly to the subject firm's sale and/or production declines and workers' separations.

*Increased Imports of Plastic Extrusion
Equipment*

In previous submissions, the subject firm indicated that it did not import plastic extrusion equipment or any articles like or directly competitive with them and that customer purchases are intermittent.

On remand, the subject firm confirmed that, because plastic extrusion equipment is not purchased regularly by customers, there are no major customers that constitute a majority of the subject firm's sales/production declines. The Department was also informed by the subject firm that they do not bid on production

projects but fulfill sales orders (customers contact the subject firm, the subject firm quotes a price, and if an order is placed, the subject firm builds the equipment per order specifications).

Based on the above facts, the Department determines that a customer survey would be unlikely to produce any meaningful results. Further, the Department determined that, since the subject firm is a major domestic producer and accounts for a significant portion of the domestic plastic extrusion equipment market, aggregate U.S. import data would better reflect the impact of increased U.S. imports on the subject firm.

During the remand investigation, the Department conducted research on U.S. shipments and U.S. imports of plastic extrusion equipment during 2005, 2006, and January through April 2007. The Department's research revealed a significant increase in imports of plastic extrusion equipment (and articles like or directly competitive with plastic extrusion equipment produced at the subject firm) during January through April 2007 as compared to estimated imports during January through April 2006.

Increased Imports Contributed Importantly to Subject Firm Sales and/or Production Declines and Worker Separations

As previously stated, subject firm sales orders declined in the latter part of 2006 into early 2007 and the subject firm sales constitute a meaningful portion of the U.S. plastic extrusion equipment market. Further, the period of increased imports corresponds with the period during which subject firm sales orders declined. Therefore, increased U.S. imports would likely have had a significant impact on the subject firm.

In accordance with Section 246 the Trade Act of 1974 (26 U.S.C. 2813), as amended, the Department herein presents the results of its investigation regarding certification of eligibility to apply for ATAA. The Department has determined in this case that the group

eligibility requirements of Section 246 have been met.

A significant number of workers at the firm are age 50 or over and possess skills that are not easily transferable. Competitive conditions within the industry are adverse.

Conclusion

After careful review of the facts developed in the remand investigation, I determine that there was a total separation of a significant number or proportion of workers at the subject firm, that there were subject firm sales and production declines, and that increased imports of articles like or directly competitive with plastic extrusion equipment produced at the subject firm declines and the workers' separations.

In accordance with the provisions of the Act, I make the following certification:

"All workers of Welex, Inc., Blue Bell, Pennsylvania, who became totally or partially separated from employment on or after March 26, 2006, through two years from the issuance of this revised determination, are eligible to apply for Trade Adjustment Assistance under Section 223 of the Trade Act of 1974, and are eligible to apply for alternative trade adjustment assistance under Section 246 of the Trade Act of 1974."

Signed at Washington, DC this 26th day of June 2008.

Elliott S. Kushner,

Certifying Officer, Division of Trade Adjustment Assistance.

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DEPARTMENT OF LABOR

Employment and Training Administration

Investigations Regarding Certifications of Eligibility To Apply for Worker Adjustment Assistance and Alternative Trade Adjustment Assistance

Petitions have been filed with the Secretary of Labor under Section 221(a)

of the Trade Act of 1974 ("the Act") and are identified in the Appendix to this notice. Upon receipt of these petitions, the Director of the Division of Trade Adjustment Assistance, Employment and Training Administration, has instituted investigations pursuant to Section 221(a) of the Act.

The purpose of each of the investigations is to determine whether the workers are eligible to apply for adjustment assistance under Title II, Chapter 2, of the Act. The investigations will further relate, as appropriate, to the determination of the date on which total or partial separations began or threatened to begin and the subdivision of the firm involved.

The petitioners or any other persons showing a substantial interest in the subject matter of the investigations may request a public hearing, provided such request is filed in writing with the Director, Division of Trade Adjustment Assistance, at the address shown below, not later than July 18, 2008.

Interested persons are invited to submit written comments regarding the subject matter of the investigations to the Director, Division of Trade Adjustment Assistance, at the address shown below, not later than July 18, 2008.

The petitions filed in this case are available for inspection at the Office of the Director, Division of Trade Adjustment Assistance, Employment and Training Administration, U.S. Department of Labor, Room C-5311, 200 Constitution Avenue, NW., Washington, DC 20210.

Signed at Washington, DC, this 25th day of June 2008.

Linda G. Poole,

Certifying Officer, Division of Trade Adjustment Assistance.

APPENDIX

[TAA petitions instituted between 6/16/08 and 6/20/08]

TA-W	Subject firm (petitioners)	Location	Date of institution	Date of petition
63541	Avery Dennison (Comp)	Fontana, CA	06/16/08	06/13/08
63542	Home Depot (State)	Opelousas, LA	06/16/08	06/13/08
63543	Pliant Plastic Company (UE)	South Deerfield, MA	06/17/08	06/12/08
63544	ITW Alma (Comp)	Kennesaw, GA	06/17/08	06/16/08
63545	T. W. Lamination (Woodbridge) (Comp)	Del Rio, TX	06/17/08	06/11/08
63546	BBDO Detroit (State)	Troy, MI	06/17/08	06/12/08
63547	Lapeer Metal Stamping (Wkrs)	Lapeer, MI	06/17/08	06/16/08