

Fasteners



The fastener industry, competitive in the best of times, has only gotten that much more so as the global economy has sapped energy from key areas such as the auto and housing industries. This feature presents information from The Freedonia Group as well as observations from two fastener companies, a call for China to compete fairly by the AWPA and a look at the evolution of one fastener product.

Fastener sector should see better days

Taiwan is the world's largest net exporter of fasteners, and not incidentally, an oft-cited region for trade actions, but what may be overlooked is that the U.S., Japan, China and Germany all produce more fasteners in terms of value, notes Brendan Eyre, an industry analyst for The Freedonia Group, a U.S.-based company that has produced several reports on fasteners this year.

The Taiwanese fastener industry has leveraged low labor and material costs into a favorable export-led position in the world fastener industry, but that status may not always be a given, Eyre said. "In the coming years, Taiwan will likely start to see these advantages slip as production of commodity-type fasteners shifts to even lower cost-producing countries, such as Indonesia and Malaysia, he said. "The Taiwanese will continue to be a major force because there is a significant domestic supply of a number of types of steel used to produce fasteners and these domestic sources are both fairly high quality and relatively low cost, which provides Taiwanese domestic fastener suppliers with a significant competitive advantage in the global market."

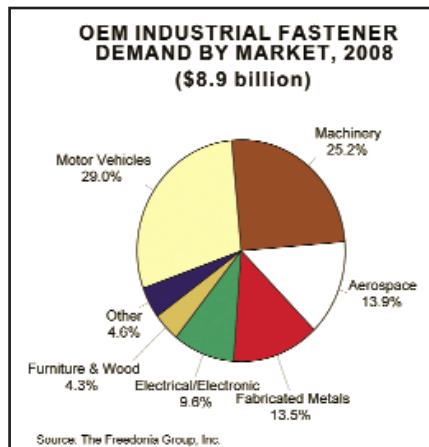
Volume understandably draws a lot of attention, but The Freedonia Group tends to focus on demand rather than profits, Eyre said. "I don't specifically track profit margins for any individual fastener companies or markets. That being said, I strongly suspect that the markets with the most profit potential are those that require highly-engineered, specialized fasteners, such as aerospace."

Eyre said that 2009 saw a sharp drop in demand for most fastener products in the U.S. This drop reflected both the decline in production for many durable goods which use fasteners and the more moderate raw materials prices seen for much of the year, compared to the high costs early in 2008. Despite the onset of the recession, U.S. fastener demand increased in 2008 from 2007, he said. However, much of those gains were from price increases based on higher raw

material costs, despite metal prices beginning to drop as the economy started to contract midway through 2008, he observed. "Further, fastener demand tends to lag durable goods shipment performance to some degree, and my assumption would be that 2009 saw demand drop pretty sharply for most fastener products in the U.S. That reflects both the decline in production for many durable goods that use fasteners and the more moderate raw materials prices seen for much of the year, compared to the high costs early in 2008."

Going forward, demand growth in the U.S. will be stimulated by a recovery in motor vehicle production and continued increases in aerospace equipment shipments. However, fastener demand increases in the U.S. and other developed countries will not be as strong as those expected in some developing countries, particularly China.

Eyre said that the auto industry may be suffering now, but in the U.S. fastener growth should be strongest the next five years in the aerospace and automotive markets. "Although the increased complexity of automotive fasteners will bolster demand in that market to some degree, the primary driver



While revenues for U.S. industrial fasteners dropped in 2009, The Freedonia Group projects increases for fasteners in general in 2010. Chart courtesy of The Freedonia Group.

will be the expected recovery of motor vehicle production levels from the lows of 2008. Demand growth in the aerospace market will be the result of more highly engineered, higher-value fastening products being utilized in planes, particularly as larger aircraft are being produced. Growth in this market will be restrained to some extent, however, by the growing use of composite materials in aircraft bodies, which require fewer fasteners.”

Other niches should see some opportunities, such as fasteners for the U.S. wind energy industry, Eyre said. He noted that fasteners used for wind turbines are often specialized large-diameter, high-value products.

Business strategy can have a lot to do with the range of fasteners a company makes, Eyre said. For instance, there are companies that do serve both commodity and higher-end fastener markets, often via different production lines or production runs on a given line, he said. That can especially be true for the industrial machinery or automotive markets, he noted, but being competitive in both commodity-grade and highly engineered fasteners is not an easy combination as this “often requires significant management efforts to successfully implement this strategy.”

Asked for an estimate of the overall percentage of fasteners that are commodity grade, Eyre said that one has to agree on a definition



Brendan Eyre, The Freedomia Group.



of what a commodity fastener is. If one says that commodity fasteners are all those except aerospace-grade and application-specific products (i.e., those made to meet the requirements of specific applications, including automotive, aircraft, appliance, electric wiring, electronic equipment and ordinance uses), then commodity fasteners made up a bit more than 75% of U.S. demand in 2008. That share will likely edge down some through 2013, as growth prospects for aerospace-grade and application-specific fasteners are slightly better than they are for standard fasteners, but the commodity products likely will still account for nearly 75% of the U.S. market in 2013.

If one applies the above definition, then commodity fasteners account for about 85% of total global demand, Eyre said. “The above estimate gives us a ceiling for the commodity market in percentage terms, but it is important to note that within the standard fastener market there are certainly some non-commodity products, for instance those manufactured using specialty alloys or products such as tension control bolts. While we don’t break out commodity-types in our study, I would knock down the above estimates at least 10-15%, which puts the U.S. market for ‘commodity’ fasteners at 60-65% of the total and the global share at 70-75%.”

Asked about the role of trade actions in the fastener field, Eyre said that he believes the prevalence of so many trade actions/complaints “is simply the result of the vastness of the global fastener trade.” There are relatively few barriers to entry, particularly at the low-cost end of the industry, and that fasteners are used in a broad range of applications throughout the world, he said. “As a result, aggregate world trade in fasteners is huge, and naturally disputes arise.”

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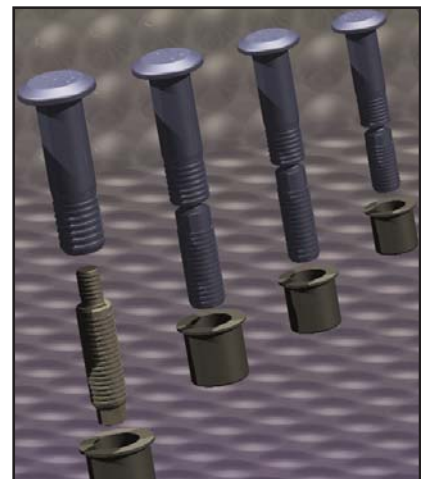
Evolution of a fastener

Many fasteners are considered commodities, but some fasteners—including those that offer more potential to companies that prefer to be in sectors where the lowest possible cost is not the overriding factor—are anything but. *WJI* asked Alcoa Fastening Systems (AFS), an Alcoa business unit based in California with more than 6,000 employees and 21 manufacturing locations in nine countries, to discuss the evolution of one of its more advanced fasteners, the XPL Lockbolt, which is being used by Airbus. Below are answers provided by Bob Gurrola, Customer Applications Engineering Manager.

WJI: How did the XPL® Lockbolt come about? Was it from a direct request from Airbus, or was it perceived that there was a market for this product and once it was developed, Airbus became a customer?

Gurrola: The XPL® Lockbolt was launched to meet the challenging needs of assembly for the A380 center wing box. The hybrid composite-metallic design, high load trans-

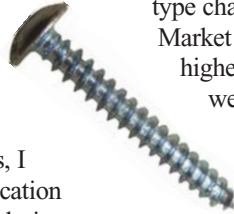
fer and productivity requirements of this application demanded a new fastening system. The XPL was developed to meet this need. AFS had long been working with Airbus so we were in a position to discuss the application challenges with the customer and to develop the XPL in parallel to the development of the A380 design.



Views of the XPL® Lockbolt, a registered trademark of Alcoa Global Fasteners Inc./subsidiary companies. Photo used by permission.

WJI: Does this fastener represent a modest change to an existing fastener, or does it represent a unique design (and if so, why)? And, how sophisticated is it?

Gurrola: The XPL Lockbolt is significantly different from earlier Lockbolt systems in that it required greater strength performance and so required a new collar design and materials, new annular lock groove designs, new headstyles, significantly larger diameters and a new pintail design for the largest diameters. In addition, the unique double-grip capability of the XPL that provides greater shop-floor flexibility while lowering inventory and procurement costs required a significantly different design. Comparing it to other two-piece structural fasteners, I would say that it is very sophisticated. The sophistication that is present in the lock groove design and collar design may not be visually evident at a glance, but it is evident in the superior mechanical performance over a wide (0.134") grip range in a variety of installation conditions. I would say it is definitely a new, distinct, unique fastening system. Nonetheless, it, like almost every new product, builds on the technology of previous fastening systems.



WJI: How long did it take to go from concept to commercial production, and is that timeframe typical for a new product?

Gurrola: From the initial concept to first production was about 12 months. The XPL product line is very diverse and even to this day, new variants are being added. There is no typical timeframe for new products as some have difficult challenges which might take two or three years to overcome while others are relatively straightforward and can go from concept to production in just a few months.

WJI: Is it likely that this exact same bolt will be sold a decade from now or is it likely to evolve in response to

demands for more strength, lower weight or other new performance requirements?

Gurrola: It is very likely that the XPL fastener will be sold one, two, or even three decades from now more or less in its current configuration. This has certainly been the case in the past with successful designs, and we see no reason why this would be any different for the XPL. Any minor improvements that might be made would be incremental type changes that would not affect form, fit, or function. Market demands for a fastening system with significantly higher performance characteristics (greater strength, lower weight, etc.) would be met with new fastening systems that are yet to be developed.

WJI: Can the XPL Lockbolt be counterfeited?

Gurrola: It wouldn't be too difficult to produce a part that looks like an XPL, but it would be impossible to produce a product that has the same high reliability and high performance as the XPL without technical knowledge of the proprietary design details and manufacturing processes necessary to produce this fastener. As with all aerospace fastening systems, the user should take great care to ensure that the parts they are procuring are genuine.

WJI: Can the XPL Lockbolt be used (or adapted for) other fastener applications? Are potential alternative uses always considered in designing new fasteners?

Gurrola: Many of the characteristics that are so important for aerospace applications like high strength-to-weight ratios, extremely high degrees of reliability, precise dimensional control, are less important for other industries. Nevertheless, it is not uncommon for aerospace fasteners to find niche applications in other industries where their high performance is critical. We would certainly expect this to be the case for the XPL as well.

Perspective: Ohio Rod Products

The previous twelve months presented the most challenging set of business conditions our company has encountered since the early 1980s. Our focus during this time has been on several areas, chief among them an aggressive management of raw material schedules and receipts, implementation of key operator training that occurred prior to and during the early months of the current (or should I say "recently concluded") recession, and maintenance of lean manufacturing procedures that enabled us to realize significant lead time reductions on deliveries to our customers.

Our outlook for the future of the fastener industry is one of cautious optimism. The challenges presented by domestic and foreign competition will not disappear; the only thing that may change in this regard is the location of the competition. We recognize the importance of developing new business to offset loss of accounts or products



From l-r, Tim Busching, Vice President/Marketing/Elgin Fastener Group; Ryan Detmer (Inside Sales Correspondent/Ohio Rod Products); and Kent Carter (Sales Engineer/Elgin Fastener Group).

that will inevitably occur, and we actively pursue opportunities to add business by keeping our machine inventory updated at all of the Elgin Fastener Group locations.

To understand our approach to the fastener industry, you need to know some background on Ohio Rod Products, which has a well-established reputation as a dependable supplier of reel bolts to the plywood, nailed wood, steel, and plastic reel markets. Since 1966, we have manufactured reel bolts and other cold formed fasteners at our 130,000-sq-ft. facility in Versailles, Indiana, serving the reel industry while growing market share through dedicated customer service and acquisitions of other reel bolt manufacturers. Our 1990 purchase of Demby Rod and Fastener Manufacturing provided additional production capacity and entry into the 1/2 -13 diameter market, and our 2006 buyout of Rhode Island Fabricators paved the way for production of 5/8-11 diameter bolts. These two acquisitions, when combined with Ohio Rod's existing production of 10-24, 1/4-20, and 3/8-16 reel bolts, firmly established us as a premium full range supplier.

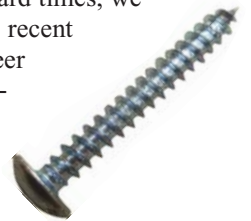
As a member of the Elgin Fastener Group, we have continued to utilize capital investment in additional machinery over the past 8 months. This has resulted in positive posturing for the anticipated return to pre-recession business conditions in 2010.

We have reacted to the ongoing emphasis on lead time

reduction within the reel market by implementing lean manufacturing procedures that have significantly streamlined our process operations. That activity led to a 33% reduction in lead time on reel bolt orders. We have also been an active participant in on-site consignment programs for customers, this dating as far back as 1985. This type of program has subsequently expanded into many of Ohio Rod's other product line offerings.

We also have continued to offer more to our customers, such as introducing reel hardware (cup washers, flat/fender washers, lock washers, T-nuts, square nuts, hex nuts, nylon lock nuts, hex head cap screws, metal arbor plates) to our product line for the reel industry. This was developed through the combined efforts of our offshore sourcing division, Elgin Fasteners International, and the sales/marketing team at Ohio Rod. The reel hardware line debuted at the 2008 Wire Expo in Pittsburgh and has given our reel accounts another option in consolidation of sourcing.

We have also made sure that, even in hard times, we have the necessary resources, such as the recent assignment of Kent Carter, a sales engineer with more than 25 years of fastener experience, to our outside sales roster. That's the kind of commitment we believe customers want to see.



Perspective: Hill Fastener Corporation

Hill Fastener Corporation President Robert Hill, the third generation of Hills in the fastener industry, shared his thoughts about the industry with *WJI*. His grandfather spent 50 years with Russell Burdsall & Ward (aka RB&W), retiring as plant superintendent at its facility in Rock Falls, Illinois. His father started there after World War II in 1946, and succeeded his father as plant superintendent. In 1957, his father left the company and, along with his cousin, started the Hill Fastener Corporation, also in Rock Falls. Working elsewhere after college, Robert Hill joined the company's management team in 1978, and bought the company in 1990.



WJI: How has your company changed over the years in terms of its product lines?

Hill: Our product line has changed in two major ways over the years; (a) increasing diameter and length; and (b) production of metrics as well as common (inch) sizes. Our original primary sales were to the builder's hardware industry. As that OEM manufacturing began to move offshore, we targeted the farm implement industry, and that became our primary market for many years. That necessitated getting into metrics and a size increase in the product diameters we offered. Our experience in manufacturing to those specifica-

tions and engineering requirements led us to target the heavy truck industry, which remains our largest market today. To service that market, we had to expand capacity not only in our existing largest sizes, but we had to increase capability once again in both diameter and length.



Hill Fastener Corporation President Robert Hill.

WJI: What are the biggest concerns you have about the industry today? Are those concerns any different than they were during the last industry down cycle?

Hill: The early 1980s were tough on Hill Fastener, as they were on many others. We were highly leveraged at that time, and prime interest rates grew to over 20%. It was the first time Hill Fastener experienced negative growth, and we were forced to eliminate a shift and lay off employees. I learned two important lessons from that experience; diversify

and build a cash reserve. Both these lessons have served us well during this most recent economic downturn.

WJI: What are your biggest concerns about the fastener sector today? Are those concerns any different than they were during the last industry down cycle?

Hill: The biggest challenge to domestic fastener manufacturers today is unfair foreign competition. Overtures to our lawmakers seem to fall on deaf ears. Chinese currency is extremely undervalued, by some estimates it's between 30% and 40%. Supposedly one of the requirements for China to be allowed to join the World Trade Organization (WTO) was to let their currency "float." They have been unwilling to do so. Nucor Fastener, a division of Nucor Steel, filed a suit with the International Trade Commission (ITC) in September this year that alleged between 2006 and 2008 China was dumping certain fasteners in the U.S. with margins against Nucor products from 67% to 206% below cost. However, the ITC just ruled 6-0 against the Nucor action. Our experience at Hill Fastener seems to show Chinese products sold at a consistent 40% reduction from our best price. It's hard to compete in these circumstances.

WJI: Does the U.S. domestic industry have the technology to be competitive without trade actions?

Hill: As I said earlier, I favor trade actions to put domestic manufacturers back on an even playing field. When we think of "low-cost producers" we think of low-cost labor. That is a factor, of course, but if we could reduce our labor by 90%, we would only be able to reduce our selling price by 9%. Where does the other 30% price difference come from? We can cite OSHA, EPA requirements, Workers Comp. Insurance, etc., to make up some of the difference, but in my opinion it still comes down to China's artificially depressed currency, and our government's inaction in that regard.

WJI: Can U.S. fastener manufacturers get any leaner?

Hill: U.S. fastener manufacturers were practicing "lean manufacturing" before the phrase was coined. We are low cost producers, with an industry-wide labor rate of less than 10% of our sales dollar. The strides in efficiencies in this industry have come from reduction of waste and scrap. This began in the 1980s with the introduction of Statistical Process Control (SPC), various automotive driven quality programs such as Q1, Spear, QS 9000 and TS16949, along with more general quality systems such as International Standards Organization (ISO) 9001-2008, which became a popular way to conform to the Fastener Quality Act (FQA) aka Federal Law 101-592.

WJI: Are there any fastener trends that you see becoming more important in the coming years for U.S. fastener manufacturers?

Hill: In light of the current political climate, it will be

more important than ever for domestic fastener manufacturers to focus on problem solving. This includes innovative (and hopefully proprietary) fastener designs, fastener application engineering, forming of specialty metals, understanding of coatings and platings for specific applications, functions of locking materials and their environment, etc. We need to make our customers' jobs easy when it comes to fastener specifications.

WJI: Is the current fastener market inherently harder for small fastener manufacturers?

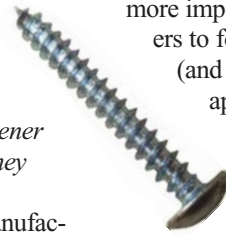
Hill: I don't feel the fastener market is inherently harder for small fastener manufacturers. If smaller companies such as Hill Fastener are not afraid to invest in good equipment and good people, then they can become the best problem solvers, as they can be quicker to respond to a need or an opportunity without the high overhead and political structure of their larger competitors. Less "baggage" if you will.

WJI: Aside from some of the larger fastener manufacturers, has R&D been largely cut back, and if so, what does that mean for the future?

Hill: Market conditions have required all fastener manufacturers to tighten their belts. Unfortunately, some were already on the last notch. There already has been, and will continue to be, some fallout in the industry. Those that remain will be stronger, and have an opportunity to participate in accounts they did not previously have. At the same time, all manufacturers have had to look long and hard at spending discretionary dollars, and that has had a negative impact on both R&D as well as capital equipment purchases. To further complicate matters, layoffs, usually of younger workers, will come back to haunt the industry in years to come. First, it will limit a company's ability to gear up if additional production opportunities come quickly and those laid off have found other employment. Secondly, we will find a sizeable skill and experience gap between the "old guys" as they retire, and younger machine operators and middle managers.

WJI: Do you have a long-term view of where see U.S. fastener manufacturers competing a decade from now?

Hill: Currently, domestic fastener manufacturers, like everyone else, are trying to ride out the recession. Unfortunately, when we speak of depressed manufacturing, we are speaking not only of ourselves, but our customers as well. The automotive fastener manufacturers have seen a temporary uptick, brought on by the inventory reduction from the "cash for clunkers" program, and the probability of a prolonged holiday shutdown of auto assemblies at the end of this year. Aerospace fastener manufacturers were doing quite well at the beginning of the year, but the recession has now hit them, too. We see airlines cutting back on flights, markets and equipment purchases as both pleasure and business travel continues to be slow. Construction fastener manu-



facturers will probably be the last to recover, as both housing and commercial building is depressed. This also affects the appliance fastener manufacturers, as fewer new units are built for apartments, condos, etc. Finally, industrial fastener manufacturers such as Hill Fastener continue to look for new opportunities, sometimes due to smaller quantities required by our customers who would in other circumstances import a larger “container quantity.” Flexibility and prompt delivery are coveted in these uncertain times.

WJI: Anything else you’d like to comment on?

Hill: My final comments regarding this industry have to do with perception. It is difficult to find good young workers to come in to a factory environment. The idea of factory work

seems as if it is a step down the social ladder. Young people are persuaded to look for a job where they “don’t get their hands dirty,” and yet machine operators in our industry make as much or more in wages than many clerical and mid-managerial positions. Our operators must be educated, with a good understanding of math, geometry, decimals, fractions, metrics, statistics, and blueprint reading. They are mechanics, troubleshooters and inspectors all in one. It is both a challenging and a rewarding field. I would like to see a trend where young people would choose factory work, particularly in the fastener field, as a career. This will have to come from educators as well as parents as they help students plan their future.

AWPA: China needs to live up to its World Trade Organization obligations

Representatives from the American Wire Producers Association (AWPA) took the following information to their legislators this fall. AWPA members represent 80-90% of the production of carbon, alloy and stainless steel wire and wire products in the U.S. and almost all of the North American production of carbon and stainless wire rod. For more details on AWPA, go to www.awpa.org.

The Problem

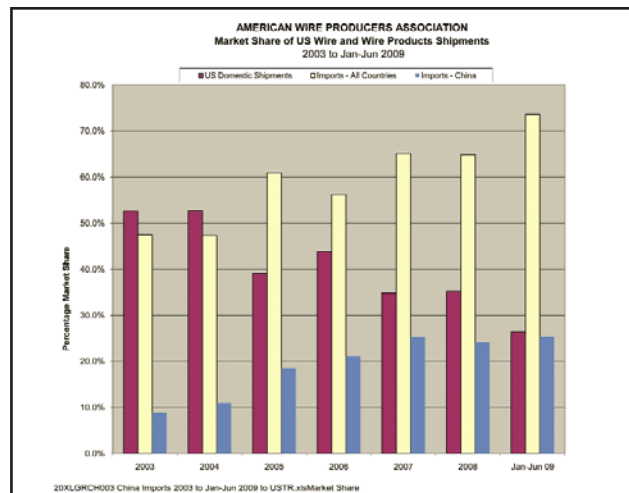
American manufacturers of steel rod, wire and wire products confront an extraordinary distortion of trade patterns as a consequence of border tax measures by the Chinese government that violate its international trade obligations. China has imposed export taxes on carbon steel wire rod while extending substantial value added tax (VAT) rebates on finished downstream wire products, creating distortions that directly and adversely impact the U.S. manufacturers of these products.

In 2007, the Chinese government eliminated its VAT rebates on exports of wire rod, but it continued to provide for VAT rebates for some wire and many wire products, all of which are manufactured from wire rod. After eliminating the VAT export rebate on wire rod, the Chinese government imposed an export tax on wire rod – a tax that was raised from 10 to 15 percent on January 1, 2008. There are no similar export taxes on downstream wire or wire products.

The use of export taxes and licenses to limit exports violates China’s Protocol of Accession to the World Trade Organization (WTO). The imposition of export taxes on wire rod encourages the retention of this basic material input in China, resulting in greater availability and lower input costs for Chinese wire and wire products manufacturers. In addition, China’s VAT rebates subsidize the exportation of downstream wire products. Together, these programs manipulate China’s tax laws to favor Chinese industries which export

downstream products to the United States and other countries. These practices violate the commitments made by the Chinese government when it joined the WTO.

The specific violations of China’s international obligations are: (1) China’s export taxes on wire rod violate section 11.3



The increasing role of imports can be seen in this chart of U.S. domestic shipments and import activity from 2003 to June 2009. Chart courtesy of AWPA.

of China’s Protocol of Accession to the WTO; (2) China’s export licensing requirements on wire rod violate Article XI:1 of the GATT and Part I, Section 7.2 of China’s Protocol of Accession; (3) China’s differential tax scheme is a prohibited export subsidy that violates Article 3 of the SCM Agreement, Articles VI and XVI of the GATT, and Part I, Section 10.3 of China’s Protocol of Accession to the WTO; (4) China’s discriminatory, steel-specific border measures are causing adverse effects to the interests of the United States and as such also constitute an actionable subsidy under

Articles 5 and 6.3 of the SCM Agreement; and (5) China's differential export tax scheme, export taxes on wire rod, and export licensing requirements for wire rod further nullify or impair benefits of the United States within the meaning of Article XXIII: 1(b) of the GATT.

The AWPA member companies have been working with officials at the Office of the U.S. Trade Representative (USTR) to try to address these violations.

Background

Preliminary discussions with the USTR led to the participation of an AWPA member company representative in the meeting of the US-China Steel Dialogue which was held in Beijing in October 2008. The USTR agreed that our industry has a unique story to tell and encouraged the AWPA to participate in the Steel Dialogue.

The AWPA representative made a presentation at the Steel Dialogue regarding trends in Chinese exports of wire rod and representative wire products. He pointed out that Chinese exports of wire rod to the United States dropped significantly beginning in 2007 (when the VAT rebate for wire rod was eliminated), while at the same time exports of Chinese wire and wire products – already sizeable – increased significantly to the United States. Moreover, the average unit values of imported Chinese wire products are below the average unit values of U.S. imports from all other countries.

Status

During the Steel Dialogue meeting in Beijing in October 2008, the Chinese government acknowledged that a distortion did exist but claimed that it had the right to limit exports of wire rod due to an alleged adverse impact of increased wire rod production on the country's environment. USTR officials countered that this argument is not plausible because domestic rod production within China was not being reduced. Following the meeting, there was some optimism by both US trade officials and AWPA's representative that the Chinese government was likely to modify its export tax scheme.

Two weeks after the meeting in Beijing, the Chinese government did announce the removal of export taxes on many steel products, but it did NOT remove or reduce the export tax on wire rod. Just after this announcement, representatives of the AWPA met with USTR officials and discussed the possibility of a WTO challenge of China's export tax on wire rod.

On April 1, 2009, the Chinese government raised the VAT rebates to 9% and 13% on some selected downstream products including chain; grates, cookers and barbecues; and table, kitchen or other household articles. While Chinese exports of wire and wire products have declined in volume, they continue to increase as a percent of U.S. market share.

The chart on the preceding page illustrates the magnitude of the problem.

AWPA Position

It is the AWPA's position that the Chinese government's disparate treatment of wire rod in relation to other basic steel products undermines any potential defense based on environmental concerns. If the Chinese authorities were motivated by such concerns, why did they remove the export taxes on other basic steel products in 2008 when these steel products present the same environmental concerns and, in fact, are likely to have an even greater adverse impact on the environment than the production of wire rod? Moreover, wire rod continues to be produced in China – it just remains in China, rather than being available for export. It appears that China's actions are driven not by concerns about the environment but by a commercial calculation to promote the production and exportation of downstream wire and wire products manufactured from wire rod. These downstream products have higher added values than wire rod, and the Chinese companies that make them employ large numbers of workers. By pointing to the unjustified disparate treatment of wire rod compared with other basic steel products, AWPA believes that

the USTR can effectively refute any legal defense that the Chinese government may raise based on environmental issues.

Actions

The AWPA continues to work with USTR to find appropriate remedies to end China's unlawful and trade-distorting practices and to eliminate China's disparate tax treatment of exports of wire rod and wire products. The AWPA will continue to participate in future US/China negotiations as the USTR urges China to stop these harmful and unsupported practices. Further, the USTR should coordinate with our trading partners in objecting to China's border tax policies that are negatively impacted by these market distorting practices.

In addition, Congress should pass legislation that will provide tools to US industry to combat subsidized imports and manipulative tax policies.

Such proposed legislation may include:

- S 1027 and HR 2378, Currency Reform for Fair Trade Act of 2009, which treats currency undervaluation as a prohibited export-contingent subsidy within the context of the US antidumping and countervailing duty law.
- HR 496, Trade Enforcement Act of 2009, which codifies the application of countervailing laws to non-market economy countries and strengthens Section 421 which was designed to counteract injury to US industries caused by surging imports from China. ■

For more details on AWPA, go to www.awpa.org.

