

April 8, 2015

Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E Street, S.W.
Suite 112
Washington, DC 20436

Re: 53-Foot Domestic Dry Containers from China
Inv. No. 701-TA-514 and 731-TA-1250

Dear Secretary Barton:

The undersigned organizations represent importers, exporters, manufacturers, retailers, agriculture and other industries who employ millions of American workers and rely upon the safe and efficient movement of goods as an essential component of their business operations. We are writing to you to express our concern about the potential adverse economic impact of a pending antidumping (AD) and countervailing (CVD) duty case at the International Trade Commission (ITC) regarding 53-Foot Domestic Dry Containers on the overall U.S. economy, the agriculture, manufacturing and retail industries, and U.S. consumers.

The 53-foot container is the standard size container used in intermodal shipping. All major U.S. intermodal companies (“Intermodal Service Providers”) purchase these containers to use in the provision of U.S. intermodal services to their customers, U.S. shippers. An overwhelming majority of U.S. shippers, including manufacturers, retailers, agriculture and other industries, depend upon these 53-foot steel containers for their intermodal shipping needs.

In 2014, Stoughton Trailers, LLC (“Stoughton”) filed an AD/CVD petition alleging that imports of 53-foot steel containers manufactured in China are materially retarding Stoughton’s ability to establish its own domestic container business. Stoughton has asked the U.S. government to impose significant – over 100 percent – combined AD/CVD duties on 53-foot containers purchased by Intermodal Service Providers. In June 2014, the Commission issued a preliminary affirmative determination, voting 4-2 to continue the investigation. We understand that the Commission is now conducting its final investigation on imported 53-foot containers. We take this opportunity to raise three concerns and to urge the ITC to not move forward with an affirmative injury finding in this case.

First, shippers, such as retailers, manufacturers, and the agriculture industry, rely upon the structural integrity and high quality of the 53-foot containers used by Intermodal Service Providers to ensure the safe transportation of their manufactured goods and consumer products and to provide protection from damage due to crushing and water leakage. Contrary to Stoughton's allegations, based on testing of prototype containers produced by Stoughton, it is apparent that Stoughton has been unwilling or unable to produce a 53-foot container that meets the specifications of the Intermodal Service Providers or the needs of their customers. Intermodal Service Providers should not be forced to purchase containers that fail to meet their high quality standards and would jeopardize their ability to satisfy the needs of the U.S. companies that depend on them for intermodal shipping services that protect valuable company assets during transport.

Second, we are very concerned about the potential adverse impact of an affirmative ITC determination on the overall U.S. economy, and specifically, on the manufacturing, retail and agriculture industries. With the continuing improvement of the U.S. economy and increasing consumer confidence, U.S. consumer demand for goods and services continues to rise. There has been a recent increase in the demand for intermodal shipping services as retailers, manufacturers and the agriculture industry strive to meet increased consumer demand and just-in-time inventory goals. It is essential that the intermodal industry be able to add a significant number of new containers in order to meet the increased shipping demand.

An affirmative final determination, in which significant AD/CVD duties are imposed, will stymie the ability of the intermodal industry to source additional containers and weaken the infrastructure, safety, and reliability of the intermodal industry. Simply put, shortages of 53-foot containers will result in considerably longer shipping time for goods and increased costs. These freight inefficiencies will have a significant negative impact on consumers, the retail, manufacturing and agriculture sectors, and the overall economy. Transport and manufacturing costs will to increase due to shipping delays; inventory will need to be stockpiled as deliveries become more unreliable; and additional distribution centers may need to be established so that manufacturers and retailers can meet their just-in-time inventory needs. Also, the cost of consumer goods could potentially increase as businesses try to recoup these additional costs. In the end, it is the U.S. consumer and the U.S. economy that will be most adversely affected.

Third, if the intermodal industry cannot source additional containers to meet the demand of its customers, there are no viable transportation alternatives. Shippers cannot easily shift to an alternative mode of transportation. The only possible alternative would be over-the-road trucking. However, due to the current driver shortage, the trucking industry cannot fill the open driving jobs necessary to meet the current demand for over-the-road trucking. Thus, it definitely would not be able to meet any significant additional demand for truck drivers caused by intermodal container shortages. In addition, any switch to over-the-road truck shipments would lead to increased highway congestion, which could in turn lead to infrastructure and safety issues, along with increased greenhouse gas emissions.

In conclusion, for all the reasons noted above, we urge the ITC to guard against this misuse of the AD/CVD laws, which will harm intermodal transportation, the agriculture, manufacturing and retail industries, and ultimately, U.S. consumers and the U.S. economy. Thank you for your time and consideration of this issue. If we may provide further information or assistance, please contact Kathleen McGuigan at kathleen.mcguigan@rila.org or (703) 600-2068.

Sincerely,

Agriculture Transportation Coalition
American Apparel & Footwear Association
Auto Care Association
Coalition of New England Companies for Trade
Columbia River Customs Brokers & Forwarders Association
Customs Brokers & International Freight Forwarders of Washington State
Customs Brokers and Forwarders Association of Northern California
Distilled Spirits Council of the U.S., Inc.
Fashion Accessories Shippers Association
Footwear Distributors & Retailers of America
Gemini Shippers Association
International Wood Products Association
Los Angeles Customs Brokers and Freight Forwarders Association
National Pork Producers Council
National Retail Federation
North American Meat Institute
Pacific Coast Council of Customs Brokers and Freight Forwarders Association
Retail Industry Leaders Association
San Diego Customs Brokers Association
Travel Goods Association
U.S. Fashion Industry Association
U.S. Hide, Skin and Leather Association