

Jan 31 2011

Pryor, Boozman Fight to Protect Arkansas Candle Businesses Against Unfair Competition from China

WASHINGTON, DC – U.S. Senators Mark Pryor and John Boozman today urged Secretary of Commerce Gary Locke to continue current trade policy that prevents China and other countries from employing unfair trading tactics that hurt U.S. candle businesses. The U.S. Department of Commerce is currently considering limiting the scope and effectiveness of a standing duty order on certain candles from China, a change that would devastate local candle companies.

“We cannot allow China and other countries to use unfair practices to price Arkansas candle companies out of the market and force them to close their doors or cut jobs,” Pryor said. “I hope Secretary Locke will heed our concerns to ensure that Arkansas businesses are able to compete on a fair playing field.”

“Narrowing the scope of this anti-dumping order places Arkansas businesses and workers at an unfair competitive disadvantage,” Boozman said. “It is essential for Secretary Locke to hear the concerns of American businesses and those Arkansans whose livelihoods would be placed in jeopardy by this change, and take those concerns into consideration prior to making a final determination.”

“In order to keep jobs in the U.S., it’s very important for our business to be able to compete on fair grounds,” said Burt Hanna, President and CEO of Hanna’s Candle Company in Fayetteville, AR. “We hope Secretary Locke keeps the order as is – it’s good for the entire U.S. candle industry.”

The full text of the letter is below:

The Honorable Gary Locke

Secretary of Commerce

U.S. Department of Commerce

14th Street and Constitution Ave., N.W.

Washington, D.C. 20230

Dear Secretary Locke:

We write to you regarding concerns several of our constituents and the National Candle Association (“NCA”) have raised regarding the Department’s current proposal to redefine the scope of the Antidumping Duty Order against Petroleum Wax Candles from the People’s Republic of China. Our constituents have informed us that foreign producers and importers have made repeated requests to limit the scope and effectiveness of this Antidumping Order. We are concerned that the Department’s preliminary proposal to limit the application of the Order to certain candle shapes and sizes will effectively eviscerate the Order, resulting in severe harm to the domestic candle industry well into the future.

Last month, the International Trade Commission (ITC), in its five-year review of the Order, found that the U.S. industry would likely be harmed if the Order were revoked, and that the dumping of candles from China and other countries would likely resume. Similarly, our constituents have informed us that they would be unable to compete with dumped prices on candles in new shapes

informed us that they would be unable to compete with dumped prices on candles in new shapes and sizes, particularly while the economy recovers from the recession. The strength of the U.S. candle industry is built on its creativity and innovation in creating new shapes and designs of candles. However, it is reasonable to believe that if the scope of the Order is limited only to certain shapes and sizes, foreign producers would immediately begin importing candle shapes and designs that would no longer be covered by the scope of the Order. Based on the long history of dumping, it is reasonable to assume that these candles would be sold at dumped prices in the United States. As a result, the U.S. candle industry would be unable to compete against these dumped candles, and producers would be forced to focus on the traditional candle shapes that would remain within the Department's proposed narrow scope definition. Such a result would have a devastating impact the current and future market position of the U.S. candle industry.

We urge you to provide all due, appropriate, and expeditious consideration of the NCA's comments on the Preliminary Results, and to protect the integrity of this highly effective Order, particularly in the current difficult economic times.

Thank you for your consideration of this important matter.

Sincerely,

[Signatures]