



# Revival of Age of Antidumping and Countervailing Duty Cases

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# Revival of Age of Antidumping and Countervailing Duty Cases

*By J. Scott Maberry and Lisa C. Mays*

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For the first time since the era of pagers, dial-up, and Y2K hysteria, U.S. trade remedy cases are experiencing a resurgence. Under U.S. law, U.S. producers of goods may petition the U.S. government to impose extra tariffs on the import of competing goods deemed to be traded unfairly.

For the first few years of the resurgence, it flew under the radar. But by the second half of 2016, a clear trend has emerged, and the U.S. government has signaled that these trade remedies cases are here to stay. Last year, over **twice as many** antidumping cases were initiated than in 2009.

Under these laws, dumping is defined as selling imported goods at less than a calculated "fair value." Antidumping duties are imposed to deter dumping by effectively raising the price of the imports found to be unfairly traded. Similarly, when imported goods are found to be subsidized by a foreign government, "countervailing duties" may be imposed to deter foreign subsidies, again by effectively raising the price of the subsidized imports. Geeks in the field (like us) refer to the two types of cases together as "AD/CVD" cases, for "antidumping" and "countervailing duties." Cases are initiated upon petition of the affected U.S. industry, and investigated by the U.S. International Trade Commission and the U.S. Department of Commerce.

2016 has ushered in a further surge of AD/CVD cases. Most recently, the U.S. government has announced investigations of several steel products from China. Recent AD/CVD cases against steel imports from China

imposed *ad valorem* duties in excess of 250 percent. For reference, in 2015, China exported over 100 million tons of steel.

Chinese imports are not the sole target of these cases. In May 2016, the government initiated an antidumping investigation of carbon and alloy steel cut-to-length plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, South Korea, South Africa, Taiwan, and Turkey. In July 2016, the Department issued final determinations imposing antidumping duties on cold-rolled steel from seven countries.

Other imports under investigation include products as diverse as shrimp and rubber.

What explains the recent increase in AD/CVD cases? One simple reason is that as the U.S. economy has slowly recovered, imports have been increasing. Secondly, changes in U.S. law have made it somewhat easier for U.S. producers to prevail in AD/CVD cases. In particular, the Trade Preferences Extension Act of 2015 made it significantly easier for the ITC to find an injury has occurred, which is a prerequisite for an AD or CVD action. Regardless of the reason, we expect the growth of AD/CVD cases will continue for many years to come. We'll be here to help make sense of it all for our throngs of loyal readers. And someday we'll look back at 2016 as the year of Snapchat, Pirate Bay, and trade remedies.

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