

U.S. Manufacturers of Utility Scale Wind Towers File Dumping and Subsidy Petitions Against China and Vietnam

December 29, 2011

Today, the Wind Tower Trade Coalition (WTTC), a coalition of producers of utility scale wind towers in the United States, filed petitions asking the U.S. Department of Commerce and the International Trade Commission (ITC) to conduct antidumping (AD) investigations into Chinese and Vietnamese imports of utility scale wind towers, and a countervailing duty (CVD) investigation into Chinese imports of utility scale wind towers. The petitions assert dumping margins of 64.37 percent for China and 59.11 percent for Vietnam.

As a result of dumping and improper subsidies, the U.S. industry is suffering severe harm as seen in employment levels, pricing, production, and profits. Chinese and Vietnamese imports of wind towers have escalated significantly, costing U.S. manufacturers sales and injuring American workers.

"The Chinese and Vietnamese industries are using unfair pricing practices to capture critical sales from the U.S. industry. As a result, the industry and its workers have been injured by these imports of unfairly-priced imports," said Alan H. Price, Chair of the International Trade Practice at Wiley Rein LLP and counsel for the WTTC.

"Additionally, the Chinese government has used, and continues to use, unprecedented levels of subsidization to push wind towers into the U.S. market." The United States Trade Representative reached a similar conclusion with respect to one such subsidy program, and upon request for WTO Dispute Settlement Consultations, the Chinese government revoked this program. Numerous other subsidy programs remain in place, providing substantial benefits to Chinese wind tower

Related Professionals

Alan H. Price
Partner
202.719.3375
aprice@wiley.law

Practice Areas

International Trade
Anti-Money Laundering
Customs Law and Compliance
Export Controls and Economic Sanctions
FCPA and Anti-Corruption
Antidumping and Countervailing Duties/
Trade Remedy Cases
Trade Policy and Trade Negotiations
World Trade Organization (WTO)
National Security

producers.

The Department of Commerce and the ITC should initiate AD and CVD investigations within three weeks of the date of filing of these petitions. The ITC's preliminary injury determination is expected in February of 2012, and Commerce is expected to make its preliminary AD and CVD determinations within six months of initiation. A final determination is due in nine to 13 months.

"Antidumping and countervailing duty investigations are powerful tools for U.S. producers that have been injured by unfairly priced imports. A successful outcome in this case will not only benefit U.S. manufacturers, but it will save numerous American jobs," said Mr. Price.

Background

What Do These Petitions Cover?

The petitions request that Commerce impose significant remedial duties on Chinese and Vietnamese imports of utility scale wind towers. These petitions cover only utility scale wind towers used for utility scale wind turbines, which are wind turbines with a generating capacity of more than 100 kilowatts. The towers subject to these petitions form the base upon which the components of these utility scale wind turbines, *i.e.* the nacelle and rotor blades, are mounted. The cases cover utility scale wind towers whether imported partially or fully assembled, and do not cover imported wind turbines, nacelles, or blades.

Where are Utility Scale Wind Towers Produced?

Utility scale wind towers are produced in facilities located throughout the United States including California, Colorado, Iowa, Illinois, Nebraska, North Dakota, Tennessee, Texas, Washington, and Wisconsin.

What is "dumping"?

For purposes of an antidumping investigation, dumping occurs when a foreign company sells a product in the United States at less than fair value.

What are "countervailable duties"?

For purposes of a countervailing duty investigation, countervailable subsidies are financial assistance from foreign governments, provided to foreign manufacturers, that unfairly benefit the production, manufacture or exportation of goods in that country.

What are the next steps?

We expect the Department of Commerce and the ITC to initiate AD and CVD investigations within the next three weeks. The ITC's preliminary injury determination is expected in February 2012. The Department of Commerce should make its preliminary AD and CVD determinations within approximately six months. At that point, importers of Chinese and Vietnamese merchandise will be required to make cash deposits in the amount of the preliminary AD and CVD duties.