

U.S. Department of Commerce Issues Preliminary Determination that China Provided Substantial Subsidies to its Wind Tower Industry

May 30, 2012

On May 30, the U.S. Department of Commerce (Commerce) made its preliminary determination that the Government of China provided massive subsidies to Chinese producers of utility scale wind towers. Commerce found that mandatory respondents, Titan Wind Energy (Suzhou) Co., Ltd. and CS Wind China Co. Ltd., received countervailable subsidies (CVD) from the Government of China at CVD rates of 26.0 percent and 13.74 percent, respectively. Additionally, Commerce determined that the CVD rate for all other Chinese producers of utility scale wind towers is 19.87 percent.

The case was brought on December 29, 2011 by the Wind Tower Trade Coalition (WTTTC), a coalition of producers of utility scale wind towers in the United States. The case covers utility scale wind towers with a minimum height of 50 meters that are designed to support turbines with generating capacities in excess of 100 kilowatts. The case alleges that unfairly subsidized wind towers from China are materially injuring the U.S. wind tower industry. In companion antidumping investigations, the WTTTC alleges that imports of utility scale wind towers from China and Vietnam are also being unfairly dumped in the United States.

Today's determination by Commerce establishes the preliminary CVD margins in the subsidies portion of the investigation. Following the publication of Commerce's preliminary determination in the *Federal Register*, Commerce will instruct Customs and Border Protection to begin suspending liquidation and collect preliminary duties on entries

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of utility scale wind towers at the preliminary CVD rates determined.

Alan H. Price, chair of Wiley Rein's International Trade Practice and lead counsel to the WTTC, said, "this is an important step in remedying the harm caused by unfairly traded wind tower exports. We look forward to further relief when antidumping duties are announced in about two months."

Following today's preliminary CVD determination, Commerce is scheduled to issue its preliminary determination in the companion antidumping investigation against wind towers from China and Vietnam on July 26, 2012. If Commerce makes an affirmative determination, preliminary antidumping duties will also be collected at that time.