

Antidumping and Countervailing Duty Investigations Filed Against Imports of Unfairly Priced Chinese Freight Railcar Coupler Systems

September 29, 2021

Washington, DC – A coalition of U.S. freight rail coupler producers filed petitions on September 29, 2021 to counter unfairly traded imports that are injuring the American industry. The U.S. producers filed the petitions with the U.S. Department of Commerce and the U.S. International Trade Commission (ITC) following years of significant volumes of unfairly priced imports of Chinese freight rail couplers. The petitions allege that the state-supported Chinese industry is dumping freight rail couplers in the United States, distorting the U.S. market and resulting in a significant loss of American jobs.

“The Chinese industry’s use of unfair pricing is hurting American companies and workers, as well as the communities in which they operate” said Daniel B. Pickard, a partner in the International Trade Practice at Wiley and lead counsel for the Freight Rail Coupler Coalition, an ad hoc coalition of US coupler producers. “Filing the petitions today is the first step in combatting these unfair trade practices and ensuring that American producers are able to compete on a level playing field. Foreign countries and producers that do not abide by international trade rules must be held accountable and that includes the Government of China and the Chinese freight rail coupler industry. Trade remedy measures that we hope result from the petitions filed today aim to do just that.”

“The Government of China, through its extensive state planning programs, is attempting to assert its dominance throughout the entire global freight supply chain,” added Robert E. DeFrancesco, III,

Related Professionals

Robert E. DeFrancesco, III
Partner
202.719.7473
rdefrancesco@wiley.law

Practice Areas

Antidumping and Countervailing Duties/
Trade Remedy Cases
International Trade

partner in Wiley's International Trade Practice.

Background:

Antidumping and Countervailing Duties: Antidumping duties aim to offset the amount a product is sold at less than fair value, or "dumped," in the United States. The margin of dumping is calculated by the Department of Commerce. Estimated duties in the amount of the dumping are collected from importers at the time of importation. Countervailing duties are intended to offset unfair subsidies that a foreign government provides in the production of a particular good. The ITC, an independent agency, determines whether the domestic industry is materially injured or threatened with material injury by reason of the unfairly traded imports.

Freight Rail Couplers: Freight rail couplers are used to connect freight rail cars together and absorb shock as the train brakes. Each train car typically has two couplers - one in front and one in back. Couplers are primarily made of cast steel parts, including coupler bodies, knuckles, coupler yokes, and follower blocks.

The petitions were filed by the Freight Rail Coupler Coalition, an ad hoc coalition of US coupler producers. The Coalition is represented by Wiley Rein LLP.

Next Steps: The Department of Commerce will determine whether to initiate the investigations within 20 days of today's filing and the ITC will reach a preliminary determination of material injury or threat of material injury within 45 days. The entire investigative process will take approximately one year, with final determinations of dumping, subsidization, and injury likely occurring in late-2022. However, duties can attach to imports of the subject couplers as of the time of the preliminary determinations in the case.