

MEDIA MENTION

Tim Brightbill Discusses Attempts to Evade U.S. Tariffs Through Product Misclassification

The Wall Street Journal

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Timothy C. Brightbill, partner in Wiley Rein's International Trade Practice, was quoted in an October 8 article in *The Wall Street Journal* (WSJ) discussing how – in an era of rising tariffs – some Chinese companies may be trying to evade such duties by changing Harmonized Tariff Schedule classifications of products shipped to the United States. While data on misclassifications are scarce, there was a surge during the month of July in U.S. customs rulings on questionable export classifications originating from China, the WSJ reported.

For example, after a 25% tariff on steel was ordered by President Trump in March 2018, Chinese steel plates were being imported coded as turbine parts, Mr. Brightbill told the WSJ. The article noted that during the first half of the year, imports of steel plates fell 11%, year-over-year, while imports of “electric-generating sets,” a turbine classification, soared 121%.

Mr. Brightbill, who represents the Coalition for Fair Trade of Hardwood Plywood, pointed to another example where some Chinese exporters began coding hardwood-faced plywood sheets as parts of ready-to-assemble kitchen cabinets. As reported in the WSJ, customs data reveal that imports of such cabinet parts rose 18% in the first six months of 2018. In September, the U.S. Department of Commerce moved to subject such goods to its antidumping order and agreed to begin an investigation of Chinese softwood-faced plywood, according to the article.

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Practice Areas

International Trade

The article can be found here (*subscription required*).