

Appeals Court Affirms CIT Decision to Increase Antidumping Duties on Diamond Sawblades Producers from China

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Washington, DC – The U.S. Court of Appeals for the Federal Circuit today affirmed last year's decision by the United States Court of International Trade (CIT) that antidumping duties should be increased on diamond sawblades exported by Beijing Gang Yan Diamond Products Company (Gang Yan) and certain of its affiliates. These exports were previously subject to lower duties, due to the United States Department of Commerce's initial determination that Gang Yan was not affiliated with the Chinese government. The agency later reversed that determination, which was followed by the CIT's affirmation of the decision, clearing the way for additional duty collection. Today's appeals court judgment concludes the case, with a final determination that this Chinese company is controlled by the Chinese government, and that antidumping duties should be increased to reflect that fact.

"This is an extremely important decision that will have a significant impact on one of the largest exporters of diamond sawblades to the U.S. market, said Daniel B. Pickard, a partner in Wiley Rein's International Trade Practice and counsel to the domestic industry. "After many years of litigation, we're thrilled with the final decision, which we believe is a fair one. This will prove highly beneficial for the U.S. manufacturers of diamond sawblades, and in a continually challenging economic environment, it will also be of enormous benefit to American workers."

Diamond sawblades from China have been subject to antidumping duties since November 2009. Gang Yan and its affiliates are producers and exporters of diamond sawblades and sawblade

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parts. In its original investigation into Chinese dumping, the Commerce Department found that Gang Yan and its affiliates were free from government control. On appeal, the Diamond Sawblades Manufacturers' Coalition (DSMC), a group of U.S. producers of sawblades, pointed out significant connections and ties between Gang Yan and the Chinese government, as well as recent Chinese laws that appear to strengthen the government's control over entities such as Gang Yan. The CIT subsequently issued two opinions questioning the evidence underlying the Commerce Department's determination, and the agency reconsidered its findings, determining that Gang Yan is in fact subject to government control. The CIT then affirmed the agency's reversal, and the Federal Circuit affirmed the decision as well.

Under the U.S. antidumping laws, the duties applicable to companies controlled by the governments of non-market economy countries, such as China, are generally significantly higher than duties applied to companies that are not government-controlled. This final decision could have substantial consequences for any individual that exported Chinese diamond sawblades to the U.S. from 2009 to the present.