

American Producers of Chassis File Trade Petitions to Combat Illegal and Unfair Dumping and Subsidies from China

July 30, 2020

Washington, DC – The Coalition of American Chassis Manufacturers today filed petitions charging that unfairly traded imports of chassis from China are materially injuring the American container chassis industry. The petitions show that the state-supported Chinese industry is selling container chassis in the United States at less than fair value, dumped at rates up to 211.49%, distorting the U.S. market and resulting in the loss of significant manufacturing jobs in the USA.

The filing, which was made concurrently with the U.S. Department of Commerce and the U.S. International Trade Commission (USITC), is in response to large and increasing volumes of unfairly priced Chinese chassis imports since 2017 that have injured American producers. The petition concerns actions of CIMC, a Chinese state-owned enterprise (SOE) used by the Government of China to transfer manufacturing jobs out of the USA into China through subsidies, including tax breaks and discounted raw materials, and other unfair tactics. CIMC is one of the primary SOE used by the Chinese government to implement its “One Belt, One Road” state planning program and serves as an outlet for subsidized Chinese steel and other components.

“The action today seeks to put an end to the Government of China’s unfair practices that have led to its dominance of the U.S. chassis market,” said Robert Wahlin, President and CEO of Stoughton Trailers, a member of the Coalition. “U.S. chassis manufacturers look forward to leveling the playing field so as to compete fairly. The Coalition is optimistic that, following affirmative preliminary determinations by both the U.S. International Trade Commission and Department of Commerce, duties will begin to be collected by as early as the end of

Related Professionals

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

Practice Areas

Antidumping and Countervailing Duties/
Trade Remedy Cases
International Trade

this year.”

“We are proud to be part of a coalition that wants to stand up for American manufacturing and American labor to fight off the Government of China’s efforts to take our jobs, said Frank Katz, Chairman of Coalition member Cheetah Chassis Corporation. “For years, our companies have lost massive amounts of sales to unfairly traded, dumped, and subsidized imports from China, and our people have suffered as a result. It’s time to stand up for American manufacturing to take on these illegally traded Chinese products.”

As a result of dumped and subsidized imports from China, U.S. producers have suffered significant declines in production, shipments, profits, and employment. Coalition members have underutilized manufacturing capacity and idled employees in states across the heartland of America. “Dumped and subsidized imports of chassis from China have injured the U.S. industry and its workers,” said Robert E. DeFrancesco, III, partner in Wiley’s International Trade Practice and counsel to the petitioners. “We urge Commerce and the USITC to thoroughly investigate these unfair trade practices and effectively apply the trade laws to dumped and subsidized chassis from China.”

FACT SHEET

Antidumping and Countervailing Duties: Antidumping duties are intended to offset the amount by which a product is sold at less than fair value, or “dumped,” in the United States. The margin of dumping is calculated by 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 are provided by foreign governments and benefit the production of a particular good. The USITC, an independent agency, will determine whether the domestic industry is materially injured or threatened with material injury by reason of the unfairly traded imports.

Next Steps: Commerce will determine whether to initiate the investigations within 20 days of today’s filing, and the USITC 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 mid-2021. However, duties can attach to imports of the subject chassis as of the time of the preliminary determinations in the case, or even earlier.

Product Description: The products covered by these petitions are chassis and subassemblies thereof, whether finished or unfinished, whether assembled or unassembled, whether coated or uncoated, regardless of the number of axles, designed primarily for use in the carriage of containers, or other payloads (including self-supporting payloads) that can be attached by twistlocks, slide pins, or similar attachment devices, for road, marine roll-on/roll-off (RORO) and/or rail transport. Chassis are typically, but are not limited to, rectangular framed trailers with a suspension and axle system, wheels and tires, brakes, a lighting and electrical system, a coupling for towing behind a truck tractor, and a locking system or systems to secure the shipping container or containers attached to the chassis.

Petitioning companies: The petitioning companies include the five members of the Coalition of American

Chassis Manufacturers: Cheetah Chassis Corporation, Hercules Enterprises, LLC, Pitts Enterprises, Inc., Pratt Industries, Inc. and Stoughton Trailers, LLC. The petitioners are represented by Wiley Rein LLP.