

Commerce Department Issues Preliminary Subsidy Duties of 38.52% on Chinese Imports of Intermodal Chassis and Parts Thereof

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Washington, DC – Today, the U.S. Department of Commerce preliminarily found that the government of China unfairly subsidizes its intermodal chassis producers and imposed preliminary countervailing duties on Chinese imports at a rate of 38.52%. The Coalition of American Chassis Manufacturers commends the Commerce Department for its hard work on this investigation thus far.

Today's determination by Commerce establishes the preliminary duty margins in the subsidies portion of the investigation. Following the publication of Commerce's preliminary determination in the Federal Register, Commerce will instruct U.S. Customs and Border Protection to begin suspending liquidation and collecting preliminary duties (in the form of cash deposits) on entries of chassis and parts thereof from China.

Because this is a preliminary ruling, subsidy rates may increase before the final determination. Commerce is still considering whether to initiate an investigation into additional subsidies, which are not reflected in today's determination, and may lead to higher subsidy rates for the final determination. The Department's final determination is currently expected in mid-March 2021. The U.S. International Trade Commission's final determination – the last necessary step before an order can be put in place – is currently scheduled for late-April 2021.

These duty rates also do not yet include the rates from the ongoing antidumping duty investigation of chassis and parts thereof from China, which will be added to the preliminary subsidy rates. The Commerce Department's preliminary determination in the

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antidumping duty case is currently scheduled for late-February, with the final results due in mid-May, unless extended.

“Today’s preliminary finding of unfair and illegal subsidization is an important step in remedying the harm caused by unfairly traded imports of chassis from China, and CIMC, in particular,” said Robert E. DeFrancesco, counsel to the Coalition and a partner in the International Trade Practice at Wiley. “Commerce’s imposition of a countervailing duty rate of 38.52% on CIMC and other Chinese producers will begin to help level the playing field so that U.S. chassis manufacturers can compete fairly.”

As a reminder, duties are assessed on the importer of record of the merchandise. Duty evasion, absorption, and circumvention are illegal and closely monitored by U.S. Customs and Border Protection, in conjunction with the Commerce Department.

The antidumping and countervailing duty cases were filed on behalf of the Coalition of American Chassis Manufacturers (CACM), an alliance of intermodal chassis producers from across the United States. The CACM is committed to addressing the unfair trade practices of China, including dumping and subsidizing of chassis entered into the United States.