

Wiley Files Trade Petitions on Behalf of American Manufacturers of Low-Speed Personal Transportation Vehicles to Combat Illegal and Unfair Dumping and Subsidies from China

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Washington, DC – The American Personal Transportation Vehicle Manufacturers Coalition filed petitions charging that Chinese imports of low-speed personal transportation vehicles (CLSPTVs), including golf cars, PTVs, LUVs and LSVs, are materially injuring the American manufacturing industry. The Coalition is comprised of U.S. producers Club Car and Textron Specialized Vehicles Inc., which manufactures E-Z-GO® and Cushman® vehicles. Wiley is representing the petitioner.

The petitions show that the state-supported Chinese industry is selling CLSPTVs in the United States at less than fair value – dumped at rates up to 477%, which significantly distorts the U.S. market. The petitions also demonstrate that foreign producers in China unfairly benefit from numerous countervailable subsidies provided by the Chinese government, such as tax breaks and discounted raw materials and inputs, which provide unfair and artificial advantages to the Chinese industry. These unfair advantages have allowed Chinese producers to gain significant market share at the expense of the U.S. industry and its workers.

The filing was made concurrently with the U.S. Department of Commerce and the U.S. International Trade Commission in response to the surge in volumes of unfairly traded Chinese imports since 2021 that have materially injured American producers and workers. Chinese imports more than doubled from 2021 to 2023. And subject

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imports totaled more than \$522 million in 2023. By using highly dumped and subsidized prices, Chinese producers have gained a significant and increasing share of the U.S. market at the direct expense of the American industry. Due to the increasing volumes of dumped and subsidized imports, U.S. producers have suffered significant declines in production, shipments, profits, and employment.

"We welcome the competition of a free and fair market," said Rob Scholl, president and CEO of Textron Specialized Vehicles Inc. "We simply want the playing field to be leveled for all competitors by countering the unfair trade practices of the state-supported Chinese industry, so that our products can compete against these Chinese products on their own merits, unimpeded by unfair trade practices that ultimately harm American manufacturers, their employees and their customers."

"We joined this coalition because we believe in competing fairly – whether on the 18th green or in neighborhoods across America. We expect our competitors to do the same," said Mark Wagner, president and CEO of Club Car, LLC. "For U.S. manufacturers to make the cut, we need an environment where everyone follows the same rules and competes on a level playing field."

"Trade relief is necessary to remedy the injurious effects unfairly traded Chinese imports have had on a quintessential American industry," commented Robert E. DeFrancesco, III, partner in Wiley's International Trade Practice and counsel to the petitioner, emphasizing that "the application of antidumping and countervailing duties will be vital to ensuring that low-speed personal transportation vehicles continue to be made in the United States using American-made steel and aluminum products."

The Wiley team representing the petitioners also includes partners Derick G. Holt and Greta M. Peisch, associates Theodore P. Brackemyre, Jacob Garten, and Patrick Griffo, and international trade analysts Richard F. DiDonna, Benjamin A. Luberd, Amy E. Sherman, and Paul A. Zucker.

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Practice Areas

Antidumping and Countervailing Duties/
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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 the U.S. 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 are provided by foreign governments and benefit the production of a particular good. The U.S. International Trade Commission (USITC), an independent federal agency, will determine whether the domestic industry is materially injured or threatened with material injury by reason of the unfairly traded Chinese 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 by mid-2025. However, duties can attach to imports of the subject vehicles as of the time of Commerce’s preliminary determinations in the case, or even earlier. Commerce is expected to issue its preliminary subsidy determination between September 13, 2024 and November 18, 2024 (if the preliminary deadline is fully extended). Likewise, Commerce is expected to issue its preliminary dumping determination between November 27, 2024 and January 16, 2025 (if fully extended). Commerce will issue its final dumping and subsidy determinations between 75 and 135 days after its preliminary determinations.

Product Description: The products covered by these petitions are low-speed personal transportation vehicles and subassemblies thereof, whether finished or unfinished and whether assembled or unassembled, with or without tires, wheels, seats, steering columns and steering wheels, canopies, roofs, or batteries. They are open-air vehicles capable of transporting one or more passengers short distances at low speeds. Vehicles meeting this description are often described as golf carts, golf cars, personal transportation vehicles, and low-speed vehicles. The main power source for subject vehicles may be lithium-ion batteries, lithium phosphate batteries, lead acid batteries, absorbed glass mat batteries or internal combustion engines. An unfinished or unassembled CLSPTV subassembly known as a “rolling chassis” – comprised of a frame or body with suspension and powertrain components installed – is covered by these petitions.

Petitioning companies: The petitioning companies include the two members of the American Personal Transportation Vehicle Manufacturers Coalition: Club Car, LLC and Textron Specialized Vehicles, Inc. The petitioner is represented by Wiley Rein LLP.