

## Commerce Calls For Tariffs On Cheap Metal Wire From China

By **Suzanne Monyak**

*Law360 (May 30, 2019, 7:31 PM EDT)* -- The U.S. Department of Commerce on Thursday called for double-digit tariffs on imported aluminum wire and cable from China, finding in an early stage of the agency's trade investigation that the foreign products are sold too cheaply in the U.S.

Commerce recommended anti-dumping duties between 58.51% and 63.47% on Chinese imports of aluminum wire and cable, several months after the U.S. International Trade Commission determined in its own preliminary finding that the cheap imports were likely the cause of American wire makers' woes.

Georgia-based Southwire Co. LLC and Texas-based Encore Wire Corp. had asked for those tariffs in a September petition, claiming that their Chinese rivals have been subsidized by their government and are selling their products in the U.S. at unfairly low prices.

The companies had urged the U.S. government to rectify the alleged unfair trade practices with duties of up to 63.1% on Chinese imports of aluminum wire and cable, which are typically used to conduct electrical power in residential, commercial and industrial buildings.

"Absent effective relief from these Chinese imports, the U.S. industry's condition will continue to worsen, and its ability to reinvest in American manufacturing and employment will remain in jeopardy," Southwire and Encore wrote in their petition.

In Wednesday's preliminary determination, Commerce calculated a 63.47% anti-dumping duty for all Chinese exporters of those aluminum wires. The agency decided to lump two of the individually examined Chinese companies, Shanghai Silin Special Equipment Co. Ltd. and Hebei Huatong Wires and Cables Group Co. Ltd., into that higher rate as well based on "adverse facts available," a penalty imposed on companies for not fully cooperating in trade investigations.

In its decision memo, Commerce explained that Huatong had failed to turn over accurate pricing data, which "calls into question the reliability of its responses in their entirety." Hitting Silin with the penalty tariff rate, the agency similarly reasoned that the company had not provided complete sales information, causing the agency to question the "reliability of its record keeping and its ability to provide verifiable information concerning how it sets prices for sales to the United States."

Further, the lack of accurate records from the two Chinese wire companies prevents the agency from evaluating whether they are linked to or controlled by the government of China, the memo says.

The agency did agree to carve out a slightly lower separate rate of 58.51% for Changfeng Wire & Cable Co. Ltd. and Wuxi Jiangnan Cable Co. Ltd.'s wire shipments, concluding that those two Chinese producers had shown they are independent from the Chinese government.

Commerce is scheduled to release its final tariff calculations in October, while the ITC is set to make its final injury determination a month later. If Commerce continues to find that the Chinese companies are dumping their wire products on the U.S. market, and the commission concludes the cheap products are hurting the domestic industry, the tariffs will go into effect.

Counsel for the petitioners and Chinese wire producers did not immediately respond to requests for comment late Thursday.

Huatong is represented by Irene H. Chen of Chen Law Group LLC.

Silin, Wuxi Jiangnan, and Changfeng are represented by Gregory S. Menegaz, J. Kevin Horgan, Judith L. Holdsworth and Alexandra H. Salzman of deKieffer & Horgan PLLC.

Southwire is represented by Sydney H. Mintzer of Mayer Brown LLP.

Encore Wire is represented by Jack A. Levy of Cassidy Levy Kent.

The case is Aluminum Wire and Cable from the People's Republic of China, case number A-570-095, in the U.S. Department of Commerce.

--Editing by John Campbell.