
Coalition for Enforcement of Antidumping And Countervailing Duty Orders

FOR IMMEDIATE RELEASE

New Legislation Combats Evasion of U.S. Antidumping and Countervailing Duty Orders

*Evasion destroys U.S. jobs, injures domestic industries,
and costs millions of dollars in uncollected duties*

WASHINGTON, D.C. (August 5, 2010) – Earlier today, Senators Ron Wyden (D-OR) and Olympia Snowe (R-ME) introduced legislation to combat illegal evasion of existing federal laws by certain importers and their foreign suppliers. The Enforcing Orders and Reducing Circumvention and Evasion (ENFORCE) Act of 2010 gives important new tools to the U.S. Commerce Department (Commerce) and U.S. Customs and Border Protection (CBP) to combat illegal schemes to evade special duties imposed after formal determinations of unfair trade practices. Illegal duty evasion schemes cause the loss of good-paying jobs, injures domestic industries, and costs the U.S. Treasury millions of dollars in uncollected duties every year.

Existing laws allow U.S. producers to ask Commerce and the U.S. International Trade Commission to investigate imports that are unfairly priced (dumped) or that are unfairly subsidized and, in either case, that are injuring U.S. industries. If the government finds that imports are dumped and/or subsidized, and cause or threaten harm to the U.S. industry, Commerce issues a formal order that requires CBP to collect special duties to negate the unfair prices or subsidies that are found. However, many importers and foreign suppliers attempt to evade these duties by shipping products to the U.S. via third countries, repackaging products in a third country, falsely identifying the country of origin, or even by falsifying documents.

The ENFORCE Act gives new powers to both Commerce and Customs to enforce our trade laws, and will facilitate closer cooperation and information-sharing between Customs and Commerce to combat these illegal practices.

Joe Downes, spokesperson for the Coalition for Enforcement of Antidumping and Countervailing Duty Orders and Senior Vice President of Leggett & Platt, Incorporated, Carthage, Missouri, said, “We applaud Senators Wyden and Snowe for introducing this vital legislation. Illegal duty evasion is a critical problem for all domestic producers and for Commerce and Customs as well. This act will give our key enforcement agencies new tools to stop illegal evasion of our trade laws and help maintain a fair and level playing field for U.S. manufacturers and their workers.”

The ENFORCE Act includes the following enhancements to existing law:

- **Increase Commerce’s ability to investigate duty evasion.** Empowering the Department of Commerce to investigate the evasion of an antidumping or countervailing duty (AD/CVD) order, which Commerce imposed in the first place, is a common-sense strategy to combat unfair trade practices. The ENFORCE Act facilitates greater cooperation and information sharing between Commerce and CBP to combat unfair trade practices that hurt U.S. manufacturing and employment.
- **Establish a rapid-response timeline for Commerce and CBP to respond to allegations of evasion.** The ENFORCE Act would give the U.S. government 60 days, after an allegation of evasion is put forward, to determine whether there is a reasonable basis to believe an importer is

evading an AD/CVD order. If an affirmative preliminary determination is made, the ENFORCE Act would require that AD/CVD duties be collected in cash until the investigation is concluded.

- **Improve the safety of imports.** Many of the same schemes that importers employ to evade an AD/CVD order, like mislabeling, also bypass systems that the U.S. has in place to ensure that products are safe for utilization. The ENFORCE Act would authorize information sharing among the appropriate agencies when either Customs or Commerce determines that an importer may be attempting to evade an AD/CVD order.

The Coalition for Enforcement of Antidumping and Countervailing Duty Orders consists of the following companies: M&B Metal Products (Leeds, Alabama), Vulcan Threaded Products (Pelham, Alabama), Leggett & Platt, Incorporated (Carthage, Missouri), Mid Continent Nail (Poplar Bluff, Missouri), American Spring Wire Company (Bedford Heights, Ohio), Insteel Industries (Mt. Airy, North Carolina), John Maneely Company (Beechwood, Ohio), Geo Specialty Chemicals (Lafayette, Indiana), and SSW Holding Company (Elizabethtown, Kentucky). They are American manufacturers of various products that are subject to antidumping and/or countervailing duty orders.

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