



Import Injury Investigations

WHAT WE DO

The USITC determines whether imports are injuring or threatening to injure U.S. industries under a number of trade laws. Import injury investigations at the USITC include antidumping and countervailing duty investigations and five-year (sunset) reviews under title VII of the Tariff Act of 1930; global safeguard (escape clause) investigations under the Trade Act of 1974; bilateral safeguard investigations under U.S. laws implementing certain free trade agreements; and investigations under section 22 of the Agricultural Adjustment Act.

The Commissioners base their determinations in import injury investigations on the requirements of the appropriate law and the factual record built in each investigation. The Commissioners publish their opinions in import injury investigations, which are subject to judicial review.

HOW WE DO IT

In each investigation, the Commission and an investigative staff team (which includes a supervisory investigator, an investigator, an accountant/auditor, an economist, a commodity-industry analyst, an attorney, and a statistician) develop a thorough record of the conditions of competition within the domestic market of the industry under investigation.

The Commissioners and the staff team employ a variety of fact-gathering techniques, which include (but are not limited to) industry-specific questionnaires, telephone interviews, plant visits, consultations with technical and marketing specialists, statements by the parties, public

hearings, and reviews of industry and market literature.

The investigative team collects and analyzes the extensive data in each investigation, then presents an objective and comprehensive report to the Commission. Data presented in the staff's report include (but are not limited to) the industry's productive capacity, actual production, capacity utilization, domestic and export shipments, inventories, imports, domestic market shares held by U.S. and foreign suppliers, employment, hours worked, productivity, wages and total compensation paid, unit labor costs, pricing, distribution channels, and full financial data on the U.S. companies producing the product under investigation. Information about the foreign industry producing the product under investigation is also collected and analyzed.

The Commission holds a hearing in most investigations at which parties present testimony and answer questions from Commissioners. Parties also submit briefs presenting their arguments.

FY 2015 NEW TITLE VII CASES

Antidumping:

11 petitions filed, comprising
39 individual investigations

Countervailing Duty:

10 petitions filed, comprising
25 individual investigations

PRODUCTS INVOLVED

- Welded line pipe
- Melamine
- Uncoated paper
- Silicomanganese
- Supercalendered paper
- Polyethylene terephthalate resin
- Corrosion-resistant steel products
- Hydrofluorocarbon blends and components
- Heavy-walled rectangular welded carbon steel pipes and tubes
- Cold-rolled steel flat products
- Hot-rolled steel flat products
- Welded stainless steel pressure pipe

OTHER INVESTIGATIONS

Five-Year (Sunset) Reviews:
24 reviews instituted,
covering 57 separate orders

Reviews of agreements suspend-
ing antidumping duty and coun-
tervailing duty investigations:
1 instituted





UNDERSTANDING ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS

Under the Tariff Act of 1930, U.S. industries may petition the government for relief from imports that are sold in the United States at less than fair value (“dumped”) or which benefit from certain subsidies provided through foreign government programs. Under the law, the U.S. Department of Commerce determines whether the dumping or subsidizing exists and, if so, the margin of dumping or amount of the subsidy. The USITC determines whether the dumped or subsidized imports materially injure or threaten to materially injure the U.S. industry.



USITC antidumping and countervailing duty investigations and five-year (sunset) reviews cover a wide range of products, from solar panels to steel products to agricultural and consumer goods, such as tires for passenger vehicles and light trucks.

The USITC conducts preliminary and final phase injury investigations. In its preliminary phase, the USITC determines, on the basis of the best information available to it at the time of the determination, (1) whether there is a “reasonable indication” that an industry is materially injured or is threatened with material injury, or (2) whether the establishment of an industry is materially retarded, by reason of the imports under investigation. If the USITC preliminary phase determination is affirmative, the Commerce

Department continues its investigation of whether the alleged dumping or subsidizing exists. If the Commerce Department’s final determination is affirmative, the USITC conducts a final phase injury investigation.

In its final phase investigation, the USITC determines (1) whether an industry in the United States is materially injured or threatened with material injury, or (2) whether the establishment of an industry in

the United States is materially retarded, by reason of imports that the Department of Commerce has determined to be subsidized or sold in the United States at less than fair value. If the final phase USITC determination is affirmative, the Secretary of Commerce issues an antidumping duty order (in a dumping investigation) or a countervailing duty order (in a subsidy investigation), which is enforced by the U.S. Customs Service.

UNDERSTANDING FIVE-YEAR (SUNSET) REVIEWS

The USITC also conducts five-year (sunset) reviews of existing antidumping and countervailing duty orders and suspension agreements. The Uruguay Round Agreements Act, approved in late 1994, amended the antidumping and countervailing duty laws in several respects. The most significant change was a provision that requires the Department

of Commerce to revoke an antidumping or countervailing duty order, or terminate a suspension agreement, after five years unless the Department of Commerce and the USITC determine that revoking the order or terminating the suspension agreement would be likely to lead to continuation or recurrence of dumping or subsidies

(Commerce) and of material injury (USITC) within a reasonably foreseeable time. If both agencies’ determinations are affirmative, the order or suspension agreement remains in effect. If either determination is negative, the Secretary of Commerce revokes the order or terminates the suspension agreement.

UNDERSTANDING GLOBAL AND BILATERAL SAFEGUARD INVESTIGATIONS

Under section 201 of the Trade Act of 1974, domestic industries seriously injured or threatened with serious injury by increased imports may petition the USITC for import relief. The USITC determines whether an article is being imported in such increased quantities that it is a substantial cause of serious injury, or threat thereof, to the U.S. industry producing an article like or directly competitive with the imported article.

Section 201 does not require a finding of dumping, subsidization, or any other unfair trade practices. If the USITC makes an affirmative determination, it recommends to the President relief that would remedy the injury and facilitate industry adjustment to import competition. The President makes the final decision whether to provide relief and the amount of relief. Such relief may be in the form of a tariff increase, quantitative restrictions, or orderly marketing agreements, among other forms.

The Commission also conducts bilateral safeguard investigations under the North American Free Trade Agreement Implementation Act and other statutes that implement bilateral free trade agreements. The Commission’s procedures in these bilateral investigations are similar in that if the Commission finds injury, it recommends a remedy to the President, and the President makes the final decision whether to provide relief and the amount of relief.