

AMERICAN WIRE PRODUCERS ASSOCIATION

OVERVIEW OF U.S. TRADE LAWS

(1) Antidumping (AD) and Countervailing Duty (CVD) Proceedings

The U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) conduct AD and CVD investigations. Commerce determines the rates of dumping and countervailing duties (*i.e.*, the “dumping margin” and the “subsidy margin”), and the ITC determines whether dumped/subsidized imports are causing material injury or threaten to cause material injury to a U.S. industry. Both agencies must make affirmative determinations in their respective investigations for AD and/or CVD orders to be imposed.

Commerce and the ITC also conduct sunset reviews of AD and CVD orders every five years. If either agency makes a negative determination, the orders will be revoked. If both make affirmative determinations, the orders will be continued for a further period of five years.

Only Commerce conducts administrative reviews, scope inquiries and circumvention investigations of AD and CVD orders.

(2) Section 232 of the Trade Expansion Act of 1962

Commerce conducts investigations under Section 232 to determine the effect of imports on the national security. Final action is taken by the President following a report on Commerce’s findings and recommendations. Currently, there are Section 232 tariffs, quotas, and tariff-rate quotas on steel and aluminum imports.

(3) Section 201 of the Trade Act of 1974 (“Safeguards”)

The ITC conducts the fact-finding investigation under Section 201, which authorizes the President to impose temporary duties and other trade measures if the ITC determines that a surge in imports is a substantial cause or threat of serious injury to a U.S. industry. The U.S. Trade Representative (USTR) reviews the ITC’s findings in Section 201 investigations and makes recommendations to the President regarding the actions, if any, which should be taken. There have been several Section 201 investigations of steel products, including wire rod, most recently during the administration of President George W. Bush.

(4) Section 301 of the Trade Act of 1974

The USTR conducts investigations under Section 301 of the Trade Act of 1974, which authorizes the imposition of enforcement actions, such as tariffs, on countries that engage in unfair trade practices. Currently, there are Section 301 tariffs on a wide range of products from China, covering most steel products, including steel wire, wire products, and wire rod.

(5) U.S. Duties and Tariffs

U.S. Customs and Border Protection (“CBP”) reviews imports for compliance with U.S. trade laws, including the collection of AD, CVD, Section 201, Section 232, and Section 301 tariffs as well as regular duties. CBP enforces penalties and other remedial actions for violation of trade laws, including the *Enforce and Protect Act* (EAPA) for evasion of AD and CVD duties.