Prohibitive Import Duties on Woven Ribbons Could Cease After Upcoming Sunset Review

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Editorial

Importers of narrow woven ribbons from China and Taiwan will soon have an opportunity to eliminate the often hefty antidumping and countervailing duties the U.S. has imposed on those goods since September 2010. These duties currently run as high as 247.26 percent (AD) and 1.56 percent (CV) for China and 4.37 percent for Taiwan (AD) and could remain in effect for another five years if they go unchallenged. On the other hand, the upcoming sunset reviews of these orders could result in their revocation, permanently eliminating future costs and providing refunds for duties paid on recent shipments.

Ribbons subject to these orders are narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof. The subject ribbons are classifiable under HTSUS subheadings 5806.32.1020, 5806.32.1030, 5806.32.1050 and 5806.32.1060 as well as 5806.31.00, 5806.32.20, 5806.39.20, 5806.39.30, 5808.90.00, 5810.91.00, 5810.99.90, 5903.90.10, 5903.90.25, 5907.00.60 and 5907.00.80. They may also be classified under HTSUS subheadings 5806.32.1080, 5810.92.9080, 5903.90.3090 and 6307.90.9889.

The International Trade Administration and International Trade Commission will initiate in August the first sunset reviews of these orders. Under the Uruguay Round Agreements Act, AD and CV duty orders must be revoked after five years unless such action would be likely to lead to a continuation or recurrence of (a) dumping or a countervailable subsidy (a determination made by the ITA) and (b) material injury to the domestic industry (a determination made by the ITC). If both agencies make affirmative determinations, the orders will be continued for five years, but if either determination is negative the orders will be revoked.

Sunset reviews are most successful when there has been some change in an industry or market that reduces the potential effect of subject imports on the affected industry. However, participation in the review by importers and foreign suppliers is also critical to obtaining a revocation. Since a sunset review can last almost a year, an ad-hoc group of participants united behind the common goal of revocation often offers the most effective means for obtaining a successful outcome since the parties can share in the expenses, market information and other resources.

Parties wishing to participate in the upcoming reviews must file an appearance within 21 days of the notice of initiation being published in the *Federal Register*, which will take place sometime in August. A full sunset review, which includes a public hearing and questionnaires, generally lasts about 360 days, while an expedited review that typically skips the public hearing and further investigative activities usually lasts 150 days.

For more information on the upcoming sunset reviews, contact ST&R attorney Mark Ludwikowski at (202) 730-4967.

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