

Thomas J. O'Donnell
T 312.985.5570
F 312.985.5590
Email: todonnell@clarkhill.com

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Aluminum Extrusions from China – ADD/CVD

In 2011, the United States imposed antidumping and countervailing duties on imports of aluminum extrusions from China. Antidumping duties (“ADD”) are imposed to offset unfairly priced imports. Countervailing duties (“CVD”) are imposed to offset subsidies paid by foreign governments for the purpose of promoting exports. The ADD and CVD rates on aluminum extrusions are extremely high, with the CVD generally being 137.65% of the value of the imported products and the ADD rate generally being 33.18% of the value of the imported articles. Thus, total ADD and CVD on aluminum extrusions from China currently amount to **171%** of the extrusions’ value.

The scope of the orders imposing these duties is extremely broad, applying not only to aluminum extrusions, but also to a wide variety of products made from or containing aluminum extrusions (for example, towel racks, patio door kits, modular railing systems, fence posts, panels, and gates, disappearing door screen kits, auto trim kits, parts of door and window frames, parts of furniture, carpet trim, shower door kits, appliance handles, and refrigerator/freezer trim kits). However, “finished merchandise” and “finished goods kits” are excluded from the scope of these orders. The Department of Commerce (the agency charged with interpreting and administering antidumping and countervailing duty orders) has issued shifting and inconsistent interpretations of what constitutes “finished merchandise” or “finished goods kits.” However, Commerce has been very consistent in treating the scope of the ADD and CVD orders on aluminum extrusions extremely broadly.

Importers of goods potentially falling within the scope of ADD and CVD orders may submit a request for a ruling to the Department of Commerce as to whether their goods fall within the orders’ scope. The Department has issued two scope rulings specifically addressing whether flag poles made from or containing aluminum extrusions fall within the scope of the ADD and CVD orders. In *Final Scope Ruling on 5 Diamond Promotions, Inc.’s Aluminum Flag Pole Sets (April 19, 2013)*, the Department ruled that flag pole sets imported in groups of segments, all of which would be combined after importation to make a set number of complete flag poles, did not meet the definition of “finished goods kits,” because the flag pole sets had to be unpacked and the individual pieces recombined after entry. Therefore, they were not a

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“packaged combination of parts that contains, at the time of importation, all of the necessary parts to fully assemble a final finished good” (i.e. a single finished flag pole). By contrast, in *Final Scope Ruling on Camco Manufacturing, Inc. 20-foot Telescoping Flagpoles (January 8, 2015)*, the Department held that telescoping flagpoles made up of 5 permanently connected sections of aluminum extrusion, finials, and carabiners fell within the exclusion for “finished merchandise” because at the time of importation, they contained all necessary components of a complete flag pole, notwithstanding the fact that they were imported without a stabilizing “foot” and the flag they were meant to display.