

GRUNFELD, DESIDERIO, LEBOWITZ, SILVERMAN & KLESTADT LLP
COUNSELORS AT LAW

399 Park Avenue
25th Floor
New York, New York 10022-4877
(212) 557-4000
Fax: (212) 557-4415
www.gdlsk.com

February 3, 2010

**COUNTRY OF ORIGIN TRANSSHIPMENT PROBES CAN BE EXPECTED BY
IMPORTERS OF GOODS COVERED BY ANTIDUMPING ORDERS**

By: Robert B. Silverman (rsilverman@gdlsk.com)

Importers of products that are subject to antidumping duties (“ADD”), but who do not pay ADD because their goods are purchased from vendors in countries not covered by a dumping order, can expect increased country of origin inquiries/investigations from Customs. (See excerpt from news article below). For example, steel hangers made in Vietnam are not subject to ADD, but steel hangers from China are subject to ADD. Customs has received, and is continuing to receive, information about products like hangers that were imported with false origin claims to avoid ADD.

It is the importer of record that will bear the burden of increased duties and penalty assessments if the country of origin claimed on the entry is false. Country of origin compliance reviews can be performed to confirm the origin of products before such inquiries/investigations are launched. These due diligence reviews provide an opportunity to ensure that the manufacturer’s documentation is complete and fully supports country of origin claims. They are best conducted without the time pressures that exist after an inquiry/investigation has been commenced. If you have any questions about these issues, or if we can be of service with respect to this matter, then please feel free to contact our firm.

**U.S. MANUFACTURERS REPORT COMPELLING EVIDENCE OF EVASION
OF ANTIDUMPING DUTIES ON IMPORTED STEEL WIRE PRODUCTS**

WASHINGTON, Feb. 1 /PRNewswire/ -- A coalition of U.S. manufacturers has compiled compelling evidence that certain companies subject to antidumping orders are costing the U.S. Treasury at least \$84 million annually due to their deliberate evasion of the antidumping duties. In addition, more than 275 jobs have been lost in the innerspring and hanger industries alone, and additional jobs are threatened by these ongoing schemes to avoid antidumping duties. The information is being presented to Members of Congress, the U.S. Department of Commerce, and U.S. Customs and Border Protection to seek stronger enforcement of existing antidumping orders that are designed to maintain a level playing field for U.S. manufacturers and their workers.

* * * *

These U.S. industries have developed compelling evidence detailing how certain foreign manufacturers are evading duties. In some cases, they are shipping these products to the U.S. via third countries and then falsely designating it as the country of origin to evade the duties, a practice termed “transshipment.” In other cases, an inconsequential modification is made to the product in third countries to avoid the duties. In yet other situations, false labels displaying a different country of origin are placed on shipments of products actually made in China. There is growing evidence that these evasion schemes are being used in other industries, further threatening jobs and the U.S. economy.

* * * *

The Coalition for Enforcement of Antidumping and Countervailing Duty Orders provided the examples of the antidumping duty evasion schemes, documented through extensive records research, interviews and, in some cases, on-site location inspections with respect to steel hangers, uncovered innersprings, and steel nails, but these are just examples of the products that will be under continuing scrutiny once this project is launched.

Press Release Source: The Coalition for Enforcement of Antidumping and Countervailing Duty Orders On Monday February 1, 2010, 11:45 am EST

420481_1