Trade Remedies: Antidumping

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The U.S. Constitution grants to Congress the power to regulate trade with foreign nations and levy tariffs. Since 1922, U.S. law and foreign policy have favored applying tariffs and duties equally to all trading partners. This principle, known as most-favored-nation (MFN) treatment, has been central to the rules-based global trading system since 1947.

One of the most frequently invoked exceptions to MFN treatment are three “trade remedy” laws. These laws are enforced primarily through administrative investigations of two U.S. government agencies: the International Trade Administration of the Department of Commerce (ITA) and the U.S. International Trade Commission (USITC). Trade remedy laws enable the United States to impose additional duties aimed at specific producers or countries to remedy unfair trade practices and to help domestic industries adjust to sudden surges of fairly traded goods. The three types of laws traditionally classified as “trade remedies” are:

*Antidumping (AD) laws* provide relief to domestic industries that have been, or are threatened with, material injury caused by imported goods sold in the U.S. market at prices that are shown to be less than fair market value. The relief provided is an additional import duty placed on the dumped imports based upon calculations made by the ITA. Antidumping orders are the most frequently used and the most controversial trade remedy.

*Countervailing duty (CVD) laws* give a similar kind of relief to domestic industries that have been, or are threatened with, material injury caused by imported goods that have been found to have received WTO-inconsistent government subsidies, and can therefore be sold at lower prices than similar goods produced in the United States. The relief provided is an additional import duty placed on the subsidized imports.

*Safeguard (also referred to as escape clause) laws* give domestic industries relief from surges of imported goods that are fairly traded if serious injury is found or is threatened to the domestic industry. The most frequently applied safeguard law, Section 201 of the Trade Act of 1974, is designed to give domestic industry the opportunity to adjust to the new competition and remain competitive. The relief provided is generally an additional temporary import duty, a temporary import quota, or a combination of both. Safeguard laws also require presidential action in order for relief to be put into effect.

Economists have generally seen antidumping laws and policies as economically inefficient. Some, however, have acknowledged the role that these economically inefficient policies have played in making trade liberalization more politically feasible by providing protection for industries that might otherwise oppose such measures. In recent years, U.S. exports have increasingly become a target of AD measures by several major emerging economies, including India and China. Antidumping laws and policies have also been at the center of dozens of trade disputes between the United States and its trading partners in the WTO. Reports issued by the WTO’s Appellate Body (AB) on the subject have been one of the primary targets of the U.S. Trade Representative’s criticisms of the AB mechanism in the broader WTO dispute settlement system. If Congress wishes to maintain a functional dispute settlement system at the WTO it may consider either directing the President to seek amendments to underlying WTO agreements such that U.S. practices are internationally compliant or direct the ITA to bring its AD policies into conformity with the AB’s interpretation of the WTO’s Antidumping Agreement.
Contents

Introduction ........................................................................................................................................... 1
Background ........................................................................................................................................ 1
  Dumping Defined ............................................................................................................................... 1
  The Origins of Dumping and Antidumping ....................................................................................... 2
Present Day Antidumping Laws and Investigations ......................................................................... 5
  U.S. Statutes ...................................................................................................................................... 5
  U.S. International Obligations .......................................................................................................... 5
  Antidumping Investigations and Measures ....................................................................................... 6
    Initiation ......................................................................................................................................... 6
    Preliminary Determinations ........................................................................................................... 6
    Final Determinations ...................................................................................................................... 7
    Critical Circumstances ................................................................................................................... 8
    Termination of Investigation and Suspension Agreements .......................................................... 10
    Administrative and Sunset Reviews ............................................................................................. 10
Trends .................................................................................................................................................. 11
  Historical Trends (1947-1995) ...................................................................................................... 11
  Global Antidumping Trends, 1995-2018 .......................................................................................... 12
    The Growth of Antidumping Investigations and Measures ...................................................... 12
    Current Users and Targets of Antidumping Investigations and Measures .............................. 13
    The Cause of the Growth in Antidumping Investigations and Measures ................................. 15
U.S. Antidumping Trends, 1995-2018 ............................................................................................. 18
  The United States and Antidumping Investigations and Measures .............................................. 18
  The United States as the Target of Antidumping Investigations and Measures .......................... 19
Issues for Congress ........................................................................................................................... 19
  The Economics of Antidumping ..................................................................................................... 19
  Antidumping, Zeroing, and the WTO Appellate Body ................................................................. 21

Figures

Figure 1. Antidumping Investigation Process and Timeline................................................................. 8
Figure 2. Imposition of Antidumping Measures, 1995-2018 ............................................................ 14
Figure 3. Targets of Antidumping Measures, 1995-2018 ................................................................. 15
Figure 4. Percentage of Measures by Industry, 1995-2018 ........................................................... 15
Figure 5. Average Tariff Rates and AD Measures in Force for Top Developing Country
  Users of AD Measures ................................................................................................................... 17
Figure 6. Total Number of AD Measures in Force ......................................................................... 18
Figure 7. AD Measures in Force Among Historical Users ............................................................... 19

Tables

Table 1. Administrative Responsibilities in Antidumping Policy ....................................................... 11
Table 2. Initiations of Antidumping Investigations, Imposition of Antidumping Measures,
  and Measures in Force, 2009-2018 ............................................................................................... 13
Table 3. Targets of Antidumping Investigations and Imposition of Antidumping Measures, 1995-2018 ................................................................. 14
Table 4. Example of Zeroing ........................................................................ 22

Contacts

Author Information ......................................................................................... 25
Introduction

In general, the rules of the World Trade Organization (WTO), of which the United States is a member, require each member to apply tariffs and duties equally to all other members. This principle, known as unconditional most-favored-nation (MFN) treatment, has been central to the rules-based global trading system since 1947 and part of U.S. law and foreign policy since 1922.¹

The WTO agreements allow exceptions to this treatment in certain circumstances, including to remedy unfair trade practices and to help domestic industries adjust to sudden surges of fairly traded goods. The three most frequently applied U.S. trade remedy laws permit the imposition of antidumping duties, countervailing duties, and safeguards. These laws are enforced through administrative investigations and actions of two U.S. government agencies: the International Trade Administration of the Department of Commerce (ITA) and the U.S. International Trade Commission (USITC).

The most commonly used of these remedies are antidumping (AD) laws. AD laws provide relief to domestic industries that have been, or are threatened with, material injury caused by imports sold in the U.S. market at prices that are shown to be less than fair value. The relief provided is an additional import duty, calculated by the ITA and placed on the dumped imports.² Antidumping orders are the most frequently used and the most controversial trade remedy.³

Background

Dumping Defined

In general, dumping occurs when manufacturers export goods for less than they sell similar goods in their domestic market.⁴ The controlling international agreement in the World Trade Organization (WTO) – the Antidumping Agreement (ADA) – defines dumping as the introduction of a product “into the commerce of another country at less than its normal value, if the export price of the product exported from one country to another is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country.”⁵ U.S. law similarly defines dumping as the “sale or likely sale of goods [in the United

¹ Unconditional MFN treatment came into being as a result of both legislative and executive action. First, Section 317 of the Fordney-McCumber Tariff Act of 1922, P.L. 67-318 (September 21, 1922), 42 Stat. 858, empowered the President to impose duties or exclude imports from any country that treated U.S. goods differently than another country. Second, President Harding gave permission to his Secretary of State to conclude commercial treaties based on unconditional MFN treatment. Foreign Relations of the United States 1923, v. 1, pp. 130-131.
³ The reason for covering dumping and countervailing duties in separate reports is that although the procedures are similar, as one scholar put it, “the policy discourses of antidumping and of countervailing duties are […] quite different.” J.M. Finger, Antidumping: How it Works and Who Gets Hurt (Ann Arbor: University of Michigan Press, 1993), p. 7.
States] at less than fair value,”6 with the fair value defined as “the price at which the foreign like product is first sold … for consumption in the exporting country.”7 Simply put, dumping is the sale of goods abroad for less than the price the goods would have commanded in the home market.

**The Origins of Dumping and Antidumping**

Economists have long written about the practice of selling exports for a lower price than in the home market.8 In 1776, Adam Smith noted the practice by manufacturers to export some of their surplus goods for sale at a loss for the purpose of “[doubling] the price of their goods in the home market.”9 Several years later, Alexander Hamilton expressed concern with the practice and its potential to stymie the development of domestic industry.10 However, such mentions were sporadic and generally isolated to economic treatises.11

As more countries industrialized in the late-nineteenth century, exporting goods for a price below the price that could be commanded in the domestic market (whether at a loss or not) became an economic strategy used to maintain domestic prices while establishing footholds in foreign markets. The expansion of these practices resulted in more sustained scholarly and political attention—not all negative.12 In 1880, for example, the U.S. Secretary of State encouraged cotton manufacturers to “sacrifice profits for a time, if necessary, to secure trade- standing in … several markets.”13 Twenty-five years later, the U.S. Department of Commerce and Labor was still dispensing similar advice to manufacturers.14

Because of this strategic deployment of dumping, and the reemergence of state-directed trade policies at the turn of the twentieth century, politicians and the public (if not always the economists) began to argue that the practice was unfair. Accusations of using foreign markets as “dumping-grounds” became frequent and the term “dumping” to describe the practice of selling surplus goods abroad at a lower price began to be used more frequently.15 British industrialists protested dumping from German and French manufacturers, while Canadian millers grumbled about the dumping of American steel.16 While accusations of dumping were common, the actual prevalence of the practice is hard to calculate, in part because there was no administrative

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6 19 U.S.C. §1677(34). “Fair value” is determined by comparing the export price and the “normal value,” which is itself defined as the either the price at which the good is sold in the domestic market or in a third country (so long as that price is found to be representative.” 19 U.S.C. §1677b.
11 Viner, *Dumping*, ch. 4.
12 Ibid., ch. 4.
14 Ibid.
16 Ibid., chs. 3-5.
apparatus to investigate such complaints. Nevertheless, experts generally agree that there was, in fact, at least a modest increase in the practice.

There were several possible causes for whatever dumping existed at the time. First, higher tariffs in general encouraged the practice. As a leading scholar of antidumping has argued, “These tariffs provided national firms the opportunity to price monopolistically at home and at the same time protected them from reimports of goods they sold competitively abroad.”

Other observers have noted that dumping was, in some respects, a natural development of trade in industrially advanced countries as large manufacturers attempted to offset changes in domestic demand by selling large surpluses abroad.

During the first decades of the twentieth century, countries began to take action to prevent dumping or, at least, protect their domestic industries from dumping. In 1904, Canada enacted the world’s first modern antidumping (AD) law. By 1921, Australia, New Zealand, South Africa, France, Japan, the United States, and Britain had proposed or enacted AD statutes or other legislation giving administrative officials discretion to alter tariffs in response to influxes of goods at abnormally low prices. Many of the statutes, including the American, were modeled on the Canadian law. The Economic and Financial Section of the League of Nations Secretariat (the precursor to the United Nations) also commissioned studies on the issue to survey AD legislation and see if there was a need for international regulation.

U.S. AD law had precursors in late-nineteenth-century antitrust legislation. Some early observers argued that dumping was a strategy used to injure or hinder development and maintain monopolistic dominance over foreign countries. In 1916, Congress passed the Antidumping Act, which imposed criminal and civil penalties on any person importing and selling articles in the United States “at a price substantially less than the actual market value or wholesale price of such articles” so long as they had the intent of injuring or preventing the establishment of an industry.

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18 Viner, Dumping, chs. 3-5; United States Tariff Commission, Information Concerning Dumping.
23 Finger, “Origins and Evolution,” p. 35. The American statute that was more directly modeled on the Canadian was the Antidumping Act of 1921, P.L. 67-10 (May 27, 1921), Title II.
in the United States. The law was rarely applied, in part because it was difficult to prove such an intent.

U.S. antidumping law took its modern form with the passage of the Antidumping Act of 1921, which adopted a more globally common administrative (rather than judicial) procedure that enabled the imposition of additional duties on imports rather than civil or criminal penalties (as the antitrust branch of legislation had).

The Antidumping Act of 1921 became the textual basis for Article VI of the General Agreement on Tariffs and Trade (GATT) in 1947, the multilateral trade agreement that established the post-World War II rules-based trading system and which was later incorporated into the World Trade Organization (WTO) agreements. As such, the U.S. model of antidumping has become the global standard.

Since 1921, Congress has amended and adjusted U.S. antidumping law many times, but has maintained the basic administrative framework and Article VI was clarified and amended by the ADA as part of the establishment of the WTO in 1995.

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28 P.L. 67-10 (May 27, 1921), Title II: “[W]henever the Secretary of the Treasury … finds that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of foreign merchandise, and that merchandise of such class or kind is being sold or is likely to be sold in the United States or elsewhere at less than its fair value, he shall make such a finding public…. [I]f the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to the duties imposed thereon by law, a special dumping duty in an amount equal to such difference.”


31 While originally its own act, the Trade Act of 1979 repealed the Antidumping Act of 1921 and amended the Tariff Act of 1930 to include Countervailing and Antidumping Duties. Trade Act of 1979, P.L. 96-39 (July 26, 1979) §§101, 106.
Present Day Antidumping Laws and Investigations

U.S. Statutes

Statutory authority for AD investigations and remedial actions is found in Subtitle B of Title VII of the Tariff Act of 1930, as amended (codified, as amended, at 19 U.S.C. §§1673 et seq.). The law requires the imposition of an antidumping duty if (1) the International Trade Administration of the Department of Commerce (ITA) determines that imported merchandise is being, or likely to be, sold in the United States at less than fair value; and (2) the U.S. International Trade Commission (USITC) determines that an industry in the United States is materially injured or is threatened with material injury, or that the establishment of an industry is materially retarded, by reason of imports of that merchandise. The statute requires that the AD duty equal the amount by which the normal value (a calculation of the fair value) of the merchandise exceeds the export price of the merchandise.

U.S. International Obligations

The United States is a party to several international agreements that govern the use of AD laws, including Article VI of the General Agreement on Tariffs and Trade (GATT), which was incorporated into the agreements establishing the WTO, and the WTO’s Antidumping Agreement (ADA). Both of these agreements were based upon U.S. AD law and practice and the United States was a proponent of both agreements.

All WTO members are subject to the terms of Article VI of the GATT and the Antidumping Agreement. Article VI of GATT allows the imposition of antidumping duties in cases where dumping “causes or threatens material injury to an established industry in the territory of a contracting party or materially retards the establishment of a domestic industry.” The ADA elaborates on the basic principles established in Article VI of the GATT by providing more detail.

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33 19 U.S.C. §1673(2)(A). “Material injury” is defined at 19 U.S.C. §1677(7) as “harm which is not inconsequential, immaterial, or unimportant.”
36 19 U.S.C. §1673a(1).
38 Irwin, “The Rise of U.S. Anti-dumping Activity in Historical Perspective,” p. 654: “The United States was the main proponent of including AD procedures in Article VI of the [GATT] in 1947. Indeed, the 1921 legislation formed the textual basis for Article VI.”
39 GATT 1994 art. 6, para. 1.
on several issues, including how WTO members may determine whether dumping is occurring, how they determine whether there has been an injury to a domestic industry, what kinds of evidence can be used, and other issues. WTO members whose antidumping laws or practices violate the terms of the ADA may be subject to WTO dispute settlement proceedings.

Antidumping Investigations and Measures

Initiation

The ITA initiates antidumping investigations either on its own initiative or in response to a petition filed by a representative of a domestic industry with the USITC and the ITA (Figure 1). If the ITA receives a petition, it must normally initiate an investigation within 20 days after it receives a petition and determines that the petition contains the necessary elements for imposing a duty.

Preliminary Determinations

The USITC begins the investigation. The central question of its investigation is whether there is a reasonable indication of an injury or likely injury to a domestic industry. If the USITC’s preliminary determination is negative or the USITC determines that imports of the subject merchandise are negligible, then proceedings end. In most circumstances, the USITC must make a preliminary determination no later than 45 days after the start of the investigation. If the USITC’s preliminary determination is affirmative, then the ITA begins its preliminary investigation to determine whether dumping exists. The ITA must make its determination within 140 days, or within 190 days at the petitioner’s request or if the case is extraordinarily complicated.

Dumping Margins

The term “dumping margin” means the amount by which the normal value (the ordinary price in the exporting country) exceeds the export price or constructed export price (the price paid in the importing country) of the subject merchandise. The term “weighted average dumping margin” means “the percentage determined by dividing the aggregate dumping margins determined for a specific exporter or producer by the aggregate export prices” of such an exporter. For an example of this in practice, see Table 4.

40 Antidumping Agreement arts. 2, 3, 6.
41 CRS In Focus IF10436, Dispute Settlement in the World Trade Organization: Key Legal Concepts, by Brandon J. Murrill.
42 See Error! Reference source not found. below. Section adapted from a report originally authored by Cathi Jones. Throughout the investigation, all phases of an investigation are announced in the Federal Register, and any hearings are announced in advance so that all interested parties have an opportunity to present their cases.
46 Ibid.
49 19 U.S.C. §1673b(a)(2). In cases that Commerce has taken extra steps to determine industry support, the ITC has 25 days from the time it is notified of Commerce’s initiation to make a preliminary determination.
50 19 U.S.C. §1673b(b) and (c). Expedited time lines are provided for Commerce to make its preliminary determination.
If the ITA’s preliminary determination is affirmative, then ITA also estimates a weighted-average dumping margin for each exporter or producer individually investigated and an “all-others rate” for all other exporters.\footnote{19 U.S.C. §1673b(d). See Table 4.} The ITA publishes its preliminary results in the Federal Register and orders U.S. Customs and Border Protection (CBP) to delay the final computation of all duties on imports of the targeted merchandise (“suspend liquidation”) until the case is resolved and to require the posting of cash deposits, bonds, or other appropriate securities to cover the duties (plus the estimated dumping margin) for each subsequent entry into the U.S. market.\footnote{19 U.S.C. §1673b(d)(2).}

If the ITA’s determination is negative, the ITA continues the investigation to the final stage (without ordering a suspension of liquidation) and the USITC continues its investigation as well. Because this is a preliminary determination, agencies may not have obtained all possible evidence, and this allows interested parties a final opportunity to put information and evidence before the two bodies.\footnote{ITA: 19 C.F.R. §351.205; USITC: 19 C.F.R. §207.20}

**Final Determinations**

Generally, the ITA must make its final determination within 75 days of the preliminary determination.\footnote{19 U.S.C. §1673d(a)(1). However, the ITA may postpone making a final determination to 135 days at the request of the party to whom the preliminary determination was adverse. 19 U.S.C. §1673d(a)(2).} Before issuing a final determination, the ITA must hold a hearing upon request of any party to the proceeding.\footnote{19 C.F.R. §351.310(c).} If the ITA’s final determination is negative, the proceedings end, and any suspension of liquidation is terminated, bonds and other securities are released, and deposits are refunded.\footnote{19 U.S.C. §1673(c)(2).} If the ITA’s final determination is affirmative, it orders the suspension of liquidation if it has not already done so.\footnote{19 U.S.C. §1673d(c)(1)(C). Commerce would not suspend liquidation if its preliminary determination were negative.} The ITA will publish the order in the Federal Register and direct CBP to continue or resume (if provisional measures expired) suspension of liquidation and collection of cash deposits at the rate determined in the ITA’s final determination.

for short life cycle merchandise when foreign manufacturers are shown to be repeat offenders. 19 U.S.C. §1673(b)(1)(B).

\footnote{19 U.S.C. §1673b(d). See Table 4.}
Critical Circumstances

Congress enacted the critical circumstances provision in order “to provide prompt relief to domestic industries suffering from large volumes, or a surge over a short period, of imports and to deter exporters whose merchandise is subject to an investigation from circumventing the intent of
the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by the [ITA].\(^{58}\)

If a petitioner alleges that critical circumstances exist in an antidumping case (which would impose additional retroactive AD duties that one would not normally obtain), then the ITA determines whether:

1. (a) there is a reasonable basis to suspect that there is a history of dumping (combined with material injury due to the imports), or (b) that the importer knew or should have known that the exporter was selling the merchandise at less than fair value, and also knew that there was likely to be material injury due to the sales;\(^{59}\) and

2. (2) whether massive imports of the merchandise have occurred over a relatively short period.\(^{60}\)

If the ITA makes an affirmative critical circumstances finding, it extends the suspension of liquidation of any unliquidated entries of merchandise (entries for which estimated AD duties have not been paid) into the United States retroactively to 90 days before the suspension of liquidation was first ordered or the date on which notice of the determination to initiate the investigation is published in the Federal Register, whichever is later.\(^{61}\)

Whether or not the ITA’s initial critical circumstances determination is affirmative, if its final determination on subsidies or dumping is affirmative, the ITA must also include a final determination on critical circumstances. If the final determination on critical circumstances is affirmative, retroactive duties, if not yet ordered, are ordered on unliquidated entries at this time.\(^{62}\)

If the critical circumstances determination is negative, all retroactive suspension of liquidation is terminated, and bonds, securities, or cash deposits related to the retroactive action are released.\(^{63}\)

If the ITA makes an affirmative determination of critical circumstances, the USITC’s final determination must include a finding as to whether the subject imports are likely to undermine seriously the remedial effect of the AD order.\(^{64}\) If both the USITC and the ITA make affirmative critical circumstances determinations, any AD duty order applies to the goods for which the retroactive suspension of liquidation was ordered.\(^{65}\) If the final critical circumstances determination of either agency is negative, any retroactive suspension of liquidation is terminated, bonds and securities are released, and any cash deposits are refunded.\(^{66}\)

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\(^{59}\) When determining whether importers knew, or should have known, the exporter was selling the merchandise at less than fair value, the ITC generally considers estimated margins of 25% or greater on sales to unrelated parties and margins of 15% or greater on sales through related parties to constitute constructive knowledge of sales at less than fair value. *Final Determination of Sales at Less Than Fair Value; Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From Italy*, 52 Federal Register 24198-02, June 29, 1987. Notice of Preliminary Critical Circumstances Determination: Honey From the People’s Republic of China (PRC), 60 Federal Register 29824-01, June 6, 1995.

\(^{60}\) 19 U.S.C. §1673b(c)(1).

\(^{61}\) 19 U.S.C. §1673b(c)(2).


\(^{63}\) 19 U.S.C. §1673d(b)(3).

\(^{64}\) 19 U.S.C. §1673d(b)(4).

\(^{65}\) 19 U.S.C. §1673d(c)(4).

\(^{66}\) 19 U.S.C. §1673d (c)(3).
Termination of Investigation and Suspension Agreements

The ITA or the USITC may terminate an investigation if the petitioner withdraws the petition or of its own accord if the ITA self-initiated the investigation.\(^67\) Additionally, the ITA may, in certain circumstances, suspend an antidumping investigation in favor of an agreement with foreign exporters (known as “suspension agreements”) that either eliminates the sales of less than fair value or the injurious effect.\(^68\) One example of such an agreement is the recent suspension agreement between the various Mexican growers associations and the United States with respect to fresh tomatoes.\(^69\) The United States agreed to suspend its antidumping investigation in exchange for a promise by various Mexican growers associations accounting for substantially all imports of fresh tomatoes from Mexico not to sell fresh tomatoes in the United States at a price less than an established reference price.\(^70\)

Administrative and Sunset Reviews

**Periodic Review**

Each year, during the anniversary month of the publication of a final AD order, any interested party may request an administrative review of the order. The ITA may also self-initiate a review.\(^71\) During the review process, the ITA recalculates the dumping margin and may adjust the amount of AD duties on the subject merchandise.\(^72\) Suspension agreements are also monitored for compliance and reviewed in a similar fashion. The ITA must make a preliminary determination within 245 days after the last day of the anniversary month of the order or suspension agreement under review, and must make a final determination within 120 days after the publication date of a preliminary determination.\(^73\) New exporters, who were not part of the original review, may also request an expedited review.\(^74\)

**Changed Circumstances Review**

An interested party may also request a “changed circumstances” review from the ITA or the USITC at any time. Under current regulations, upon receipt of such a request, the ITA must determine within 45 days whether to conduct the review. If the ITA decides that there is good cause to conduct the review, the results must be issued within 270 days of initiation, or within 45 days of initiation if all interested parties agree to the outcome of the review.\(^75\)

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\(^{68}\) 19 U.S.C. §1673c(b)-(c).


\(^{70}\) Agreement Suspending the Antidumping Duty Investigation on Fresh Tomatoes from Mexico.

\(^{71}\) 19 U.S.C. §1675(a).

\(^{72}\) 19 U.S.C. §1675.


\(^{75}\) 19 C.F.R. §351.216.
Sunset Reviews

Sunset reviews must be conducted on each AD order no later than once every five years after its publication. In such a review, the ITA determines whether dumping would likely continue or resume if an order were to be revoked or a suspension agreement terminated, and the USITC conducts a similar review to determine whether injury to the domestic industry would be likely to continue or resume. If both determinations are affirmative, the duty or suspension agreement remains in place. If either determination is negative, the order is revoked, or the suspension agreement is terminated.

Trends

Historical Trends (1947-1995)

During the first two decades of the GATT, countries infrequently imposed antidumping measures. Only four parties—the United States, the European Union (EU), Canada, and Australia—made use of the practice, and even that was infrequent. Scholars have given several non-exclusive explanations for the relative dearth of antidumping measures in this period in both the international and U.S. contexts.

In the international context, ambiguity within Article VI of the GATT may have discouraged GATT members from making use of the antidumping provisions. Specifically, Article VI does not specify a methodology for deciding whether a product is dumped nor does it set out procedures for AD investigations. Additionally, tariff rates among GATT members were still relatively high, which may have dampened the need for industries to petition for protection through antidumping measures.

Table 1. Administrative Responsibilities in Antidumping Policy

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Dumping Determination</th>
<th>Injury Determination</th>
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<tbody>
<tr>
<td>1921-1954</td>
<td>Treasury Department</td>
<td>Treasury Department</td>
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<tr>
<td>1954-1979</td>
<td>Treasury Department</td>
<td>Tariff Commission (Predecessor to the USITC)</td>
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<tr>
<td>1979-Present</td>
<td>Commerce Department (ITA)</td>
<td>U.S. International Trade Commission (USITC)</td>
</tr>
</tbody>
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Likewise, in the United States, the Antidumping Act of 1921 was enacted during a period when tariff rates were relatively high, which may have limited the usefulness of AD duties as a form of protection. Administrative exigencies may have also been a factor. For example, one historian...

76 19 U.S.C. §1675(c).
77 19 U.S.C. §1675(c); 19 C.F.R. §351.218. These sunset reviews are required in the ADA (Article 11.3).
78 While this entity was referred to as the European Communities (EC) at the time, European Union (EU) is used here for simplicity.
80 Ibid., p. 8 n.24.
has noted that the Carter Administration shifted responsibility for making the less than fair value determination from the Treasury Department to the Department of Commerce because the “perceived indifference of Treasury to the plight of petitioning firms” may have led to fewer findings of dumping and thus fewer measures.\textsuperscript{82}

Finally, countries, particularly those who were not GATT signatories, had higher average tariff rates and were able to impose other non-tariff barriers to trade to reduce importation of allegedly dumped products, which made resorting to AD measures unnecessary. Over the subsequent decades, dozens of developing countries entered the rules-based trading order, which restricted the use of many non-tariff barriers to trade and encouraged the reduction of tariffs. The reduction of tariffs may have led to an increase in the use of AD measures as an alternative form of protection.\textsuperscript{83}

\textbf{Global Antidumping Trends, 1995-2018}

\textbf{The Growth of Antidumping Investigations and Measures}

AD investigations and actions were uncommon in the decades following the establishment of the GATT. Before the 1990s, the United States, the European Union,\textsuperscript{84} Canada, and Australia were responsible for more than 95\% of AD actions. Many developing countries did not even have AD laws and procedures.\textsuperscript{85} Beginning in the 1990s, however, the number of countries with AD laws multiplied; approximately half of all AD laws in effect today were implemented after 1990.\textsuperscript{86}

With the increase in the number of countries with AD laws, the major users of AD measures have changed dramatically. In 1994, for instance, India had zero AD measures in force.\textsuperscript{87} Twenty-five years later, in 2019, India had 275 AD measures in force, ranking second behind the United States.\textsuperscript{88} Between 2008 and 2018, India ranked first in terms of the number of AD measures imposed per year, followed by the United States, Brazil, China, and Argentina.\textsuperscript{89} Of the top five users of AD measures prior to 1995, only the United States remains in that top five (see Table 2).
However, if adjusted for per-dollar imports, both the United States and the EU are relatively light users of AD measures.\textsuperscript{90}

As more countries have begun to use AD measures, the total number of AD measures in force has increased by more than 600%, jumping from 264 measures in force in 1994 to 1,860 in 2018.\textsuperscript{91}

**Current Users and Targets of Antidumping Investigations and Measures**

Many of the largest users of AD investigations and measures are also among the top targets of AD investigations and measures. China, the United States, and India, are among the top users of AD investigations and measures and are, likewise, the top targets of AD investigations and measures. AD measures are imposed primarily on heavy industrial products from the base-metal and chemical industries. Figure 4.

**Table 2. Initiations of Antidumping Investigations, Imposition of Antidumping Measures, and Measures in Force, 2009-2018**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Initiations</th>
<th>Total Measures</th>
<th>Measures in Force in 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>358</td>
<td>304</td>
<td>275</td>
</tr>
<tr>
<td>United States</td>
<td>275</td>
<td>195</td>
<td>361</td>
</tr>
<tr>
<td>Brazil</td>
<td>246</td>
<td>173</td>
<td>168</td>
</tr>
<tr>
<td>China</td>
<td>113</td>
<td>102</td>
<td>106</td>
</tr>
<tr>
<td>Argentina</td>
<td>139</td>
<td>93</td>
<td>97</td>
</tr>
<tr>
<td>Australia</td>
<td>143</td>
<td>76</td>
<td>64</td>
</tr>
<tr>
<td>Turkey</td>
<td>89</td>
<td>75</td>
<td>182</td>
</tr>
<tr>
<td>European Union</td>
<td>120</td>
<td>70</td>
<td>121</td>
</tr>
<tr>
<td>Pakistan</td>
<td>102</td>
<td>65</td>
<td>45</td>
</tr>
</tbody>
</table>

*Source: WTO Statistics on AD Measures by Reporting Member; WTO Statistics on AD Initiations by Reporting Member; WTO Statistics on AD Measures in Force.*

\textsuperscript{90} Finger, et al., “Antidumping as Safeguard Policy,” p. 16.

\textsuperscript{91} WTO Statistics on AD Measures in Force.
Figure 2. Imposition of Antidumping Measures, 1995-2018

Source: WTO Statistics on AD Measures by Reporting Member; WTO Statistics on AD Initiations by Reporting Member.

Table 3. Targets of Antidumping Investigations and Imposition of Antidumping Measures, 1995-2018

<table>
<thead>
<tr>
<th>Country</th>
<th>Initiations Against</th>
<th>Measures Against</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1269</td>
<td>926</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>417</td>
<td>262</td>
</tr>
<tr>
<td>United States</td>
<td>283</td>
<td>181</td>
</tr>
<tr>
<td>India</td>
<td>227</td>
<td>130</td>
</tr>
<tr>
<td>Thailand</td>
<td>221</td>
<td>146</td>
</tr>
<tr>
<td>Japan</td>
<td>215</td>
<td>152</td>
</tr>
<tr>
<td>Indonesia</td>
<td>208</td>
<td>130</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>162</td>
<td>122</td>
</tr>
<tr>
<td>Brazil</td>
<td>148</td>
<td>101</td>
</tr>
</tbody>
</table>

Source: WTO Statistics on AD Measures by Exporter; WTO Statistics on AD Initiations by Exporter.
The Cause of the Growth in Antidumping Investigations and Measures

The adoption of AD laws and the imposition of measures generally occur following moments of increased market integration and trade liberalization, which may explain their expanded use. In
effect, AD measures blunt the impact of new imports. For example, many developing countries reduced their tariffs significantly following the Uruguay Round of trade negotiations, which created the WTO. With significantly lower tariffs and fewer other means available to restrict trade, developing countries (like their developed counterparts before them) may have turned to AD laws and AD measures as a preferred means of protecting select domestic industries during their adjustment to the lower average tariff rate. For example, since their entry into the WTO, India, Brazil, China, and Argentina have collectively reduced their tariffs by an average of 63% from a 17.6% applied weighted mean for all products to 6.5%. In that same time, those four countries increased their use of AD measures dramatically. In 1995, those countries had 13 measures in force. By 2018, they had a total of 646 measures in force, an increase of more than 4,800%. Figure 5.

As for AD measures being used rather than some other trade remedy, at least one scholar has argued that AD measures are the most attractive alternative legal form of contingent protection. In general, AD measures are easier to impose.

### Benefits of AD over Countervailing Duties and Safeguards

- **AD measures are subject to a more deferential standard of review in the WTO than countervailing duties and safeguards.** Specifically, the ADA provides that dispute settlement panels are limited to determining “whether the authorities’ establishment of facts was proper and whether their evaluation of those facts was unbiased and objective.” If the establishment of the facts was unbiased and objective, then a panel may not overturn the AD evaluation “even though the panel might have reached a different conclusion.” Countervailing duties do not receive such a deferential review.

- **AD measures are less likely to create international controversy than countervailing duties.** Specifically, countervailing duty cases require a finding that a foreign government is providing an illicit subsidy. In contrast, AD cases only require making a finding about the pricing practices of foreign producers.

- **Long term AD measures are cheaper than safeguards.** The WTO Safeguards Agreement requires that a country imposing a safeguard measure “endeavour to maintain a substantially equivalent level of concessions and other obligations” between it and the exporting Members which would be affected by such a measure. Should a country fail to maintain such concessions, retaliation is authorized after three years.

- **AD measures are easier to impose than safeguards.** The WTO AB has held that safeguards may only be used to manage surges in trade that were unforeseen at the time a tariff concession was negotiated.

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93 See, e.g., Wu, “Antidumping in Asia’s Emerging Giants,” p. 15: “It was only after the Uruguay Round that antidumping measures became a relatively attractive instrument for most developing countries. … [The Uruguay Round] dramatically lowered tariffs and severely constrained the ability of countries to use non-tariff instruments to protect domestic industry.”
94 Two prominent scholars in their survey on antidumping noted “that waves in AD law adoption occurred when there were substantial market integration events occurring in the world economy. The first wave occurred during, and in the wake of, a number of initial successful GATT rounds, as well as the beginning integration of developed Europe. The second wave was in the wake of substantial trade liberalizations in the developing world, the successful conclusion of the Uruguay Round, and the rising membership of countries to GATT/WTO.” Blonigen and Prusa, “Dumping and Antidumping Duties,” p. 14.
96 ADA art. 17.6(i).
97 Agreement on Safeguards, April 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, Legal Instruments, 33 ILM 1125 (Safeguards Agreement) art. 8.
98 Ibid.
• **AD measures can be kept in place longer than safeguards.** Safeguards can be in place for a maximum of eight years.\(^\text{100}\) AD measures in contrast can remain in place indefinitely so long as the government conducts a review of the measures every five years.

**Figure 5. Average Tariff Rates and AD Measures in Force for Top Developing Country Users of AD Measures**

![Graph showing average tariff rates and AD measures in force for top developing country users of AD measures.](image)

**Source:** WTO Statistics on Tariff Rates; WTO Statistics on AD Measures in Force.

**Notes:** Tariff rate, applied, weighted mean, all products. Gaps indicate no reported rates for that year.

\(^{100}\) Safeguards Agreement, art. 7.3.
As of February 2020, the United States has 384 AD orders in place affecting imports from 53 countries. The oldest order, which places AD duties on pressure sensitive tape from Italy, has been in place continually since 1977. Seventy-five of the orders have been in place since before the turn of the millennium. The United States is alone among the original four users of AD measures (U.S., EU, Canada, and Australia) in significantly increasing its use of AD measures over the past two decades. The U.S. currently has the highest number of AD measures in force in its history. In comparison, the other three original users have kept the number of measures in force at or below levels reached around the millennium.

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101 USITC, Antidumping and Countervailing Duty Orders in Place.
The United States as the Target of Antidumping Investigations and Measures

The United States has been a frequent target of AD investigations initiated by other countries. Between 1995 and 2017, the United States was the target of 296 investigations, 181 (61%) of which led to the imposition of AD measures. The largest user of AD measures against the United States is China (37), with India (30), Brazil (24), Mexico (23), and Canada (12) rounding out the rest of the top five. The reasons for the targeting of the United States are uncertain. They may, however, relate to the use of AD measures as a form of protection during a period of trade liberalization or be viewed as retaliation for the United States’ heavy use of AD measures against these countries.

Issues for Congress

The Economics of Antidumping

Some argue that antidumping measures constitute “the first and best line of defense for the U.S. economy against companies and countries that resort to predatory and mercantilist tactics to make trade gains.” Most empirical research, however, has found that such predatory pricing is rare. Furthermore, most academic analysts are highly critical of U.S. AD law and practice. Economic analysts in particular note that AD policy is trade distorting. For example, AD duties

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105 Writing in 2003, Bruce A. Blonigen and Thomas J. Prusa argued that “over the past 25 years antidumping (AD) has
deflect trade, by causing exporters to seek out markets where their goods are not subject to AD duties.\textsuperscript{106} As one pair of economists noted, the suspension agreement on fresh tomatoes from Mexico caused Mexico to make more tomato paste to ship to the United States and to ship more fresh tomatoes to Canada, which in turn shipped more fresh tomatoes to the United States.\textsuperscript{107} Many scholars also conclude that AD duties depress consumer activity by raising costs for consumers and propping up unproductive businesses.\textsuperscript{108}

AD laws are also expensive. According to one survey, AD policies globally affect somewhere between 3\% and 8\% of a country’s total imports, making them one of the most costly commercial policies.\textsuperscript{109} Additionally, many economists argue that AD duties, when analyzed economically without consideration of their political benefits for encouraging trade liberalization, depress overall trade.\textsuperscript{110}

While much of the extant literature is skeptical of AD duties, some economists have argued that such duties, when applied at certain levels, may provide a modest economic welfare gain to the U.S. economy.\textsuperscript{111}

Congress has generally been supportive of AD duties, and reform efforts have been limited despite the generally negative view of the practice held by many economists. Phillip Swagel, the now-director of the Congressional Budget Office and former Assistant Secretary of the Treasury for Economic Policy, recently referred to antidumping as the “third rail of trade policy,” arguing that “few politicians of either party [are] willing to point out its broadly negative impact.”\textsuperscript{112} While many argue that AD laws are economically inefficient if evaluated on their face, some of those critics have conceded “that even if AD is the largest and most frequently used contingent trade remedy (and the most costly single commercial policy), AD may nevertheless be a desirable policy as it serves an important role in promoting overall trade liberalization by acting as a pressure release valve.”\textsuperscript{113}

As Congress considers its overall goals with respect to trade policy, it might weigh dumping’s economic costs against its potential role in supporting trade liberalization. Congress could, for example, encourage (in committee hearings) or direct (through legislation) Commerce to change


\textsuperscript{107} Kathy Balis and Jeffrey M. Perloff, “Trade Diversion from Tomato Suspension Agreements,” \textit{Canadian Journal of Economics} 43, no. 1 (2010), p. 129. The economists estimated that 84\% of the Mexican tomatoes turned back by the trade barrier made their way back into the United States through trade diversion.

\textsuperscript{108} See, e.g., Blonigen and Prusa, “Dumping and Antidumping Duties, ” p. 46: “Put bluntly, AD protection appears to be good for bad firms, but bad for good firms.”

\textsuperscript{109} Ibid., p. 47.

\textsuperscript{110} Bown and Crowley, “Policy Externalities.”


\textsuperscript{113} Blonigen and Prusa, “Dumping and Antidumping Duties,” p. 47.
the *de minimis* thresholds for finding that dumping has taken place or that the dumped goods have caused an injury. Such changes could reduce or encourage the use of the policy.

**Antidumping, Zeroing, and the WTO Appellate Body**

During the negotiations over the establishment of the WTO, the United States persistently advocated for the establishment of robust dispute settlement provisions and Congress required the President to ensure that dispute resolution provisions were included in the final agreement. As a result, the agreements establishing the WTO included the Dispute Settlement Understanding (DSU), which provides for an enforceable means by which members can resolve disputes over WTO commitments and obligations.

In recent years, however, several administrations have been critical of the WTO’s dispute settlement system in general and with the role of the Appellate Body (AB) in particular. In December, the AB ceased to function as the United States continued to block the appointment of new AB members to replace those whose terms had expired. U.S. AD policies have been at the center of that dispute and Congress might consider reevaluating those policies or renegotiating the agreement underlying the WTO DSU and ADA if it wishes to maintain a functional dispute settlement system at the WTO.

The United States has generally been successful in DSU proceedings with the exception of one area—trade remedies. Indeed, trade remedy cases in general make up the largest portion of the WTO’s dispute settlement docket, with AD being the most frequently disputed policy. Time and time again dispute settlement (DS) Panels and the AB have found U.S. AD policy to conflict with its international commitments. The United States is not alone. Other WTO members have also been unsuccessful in defending challenges to their implementation of the ADA.

The AD policy that has been at the center of many (although not all) of these disputes is a calculation method referred to as “zeroing.” In general, when calculating the dumping margin to determine whether the imposition of antidumping measures on exporters of a product is justified, the ITA will usually average together numerous comparisons between sales in the United States (the export prices) and sales in the home market (the normal value). The ITA will aggregate hundreds or even thousands of individual transactions together in this process. The amount by which the normal value exceeds the export price of a given product is the dumping margin. However, if the export price exceeds the normal value (that is, if the price in the United States is greater than the domestic price) and thus produces a negative result, the United States, in certain circumstances, will adjust the negative values to zero. As an economist at the Department of Justice put it, “The use of ‘zeroing’ will almost always increase the level of any antidumping duties.”

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114 The legislative authority for the negotiations over the establishment of the WTO directed the executive “to ensure that such mechanisms within the GATT and GATT agreements provide for more effective and expeditious resolution of disputes and enable better enforcement of United States rights.” Omnibus Trade and Competitiveness Act of 1988, P.L. 100-418 (August 23, 1988). See also CRS In Focus IF10645, *Dispute Settlement in the WTO and U.S. Trade Agreements*, by Ian F. Fergusson.

115 See also CRS In Focus IF10645, *Dispute Settlement in the WTO and U.S. Trade Agreements*, by Ian F. Fergusson.


117 See, e.g., Appellate Body Report, *European Communities --- Anti-Dumping Duties on Imports of Cotton-type Bed Linen from India*, WT/DS141/AB/R (March 1, 2001) (DS141); There have been at least 71 cases as of January 1, 2020 that dealt with antidumping and resulted in an adverse finding against the respondent leading either to implementation, the authorization of retaliation, or compliance proceedings finding non-compliance. Of those 71, the United States was a respondent in 27. See also Chad P. Bown and Soumaya Keynes, *Why Trump Shot the Sheriffs: The End of WTO Dispute Settlement 1.0*, Peterson Institute for International Economics Working Paper 20-4 (March 2020).
duty, and will sometimes create a duty where none would have been imposed, had the methodology not been used.”

Consider the following simplified example: the average home market price and export price for a product for the entire month were both $100. As such, the dumping margin and weighted average dumping margin when averaged without zeroing were both zero because the transaction on September 7, for example, was offset by the transaction on September 25. However, when zeroing is applied, the September 25 transaction is set to zero. When this is applied across all values, the aggregate dumping margin is $55 leading to a weighted average dumping margin of 7.85%. One pair of economists determined in 2010 that if the United States were to stop zeroing, “then perhaps as much as half of all U.S. AD measures would be removed and the duties in the other cases would fall significantly.”

Table 4. Example of Zeroing

<table>
<thead>
<tr>
<th>Sales Date</th>
<th>Home Market Transaction (“Normal Value”)</th>
<th>Export Transaction (“Export Price”)</th>
<th>Dumping Margin: No Zeroing</th>
<th>Dumping Margin: Zeroing</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/02/2020</td>
<td>$80</td>
<td>$70</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>09/07/2020</td>
<td>$100</td>
<td>$80</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td>09/08/2020</td>
<td>$90</td>
<td>$95</td>
<td>-$5</td>
<td>$0</td>
</tr>
<tr>
<td>09/14/2020</td>
<td>$110</td>
<td>$100</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>09/20/2020</td>
<td>$120</td>
<td>$105</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>09/25/2020</td>
<td>$100</td>
<td>$120</td>
<td>-$20</td>
<td>$0</td>
</tr>
<tr>
<td>09/30/2020</td>
<td>$100</td>
<td>$130</td>
<td>-$30</td>
<td>$0</td>
</tr>
<tr>
<td>Aggregate Export Prices</td>
<td>$700</td>
<td>$700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wtd. Avg. Price</td>
<td>$100</td>
<td>$100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate Dumping Margin</td>
<td>$0</td>
<td>$55</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted Average Dumping Margin</td>
<td>0.0%</td>
<td>7.85%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The U.S. Trade Representative (USTR) asserts that this method allows the United States to “focus on those transactions in which dumping occurs.” Under the relevant WTO agreements, the USTR argues, “Members may calculate a margin of dumping on a transaction-by-transaction basis, and, thus, collect duties only on dumped imports, while collecting no duties on non-dumped imports. There is no requirement to offset dumped transactions with transactions in

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which dumping did not occur.” 121 The U.S. Trade Representative has asserted that this is a common-sense method of calculating the extent of dumping that is injuring a domestic industry” 122 and that the elimination of zeroing “artificially reduces the margin of dumping.” 123 

Opponents of zeroing argue that its effect is to artificially increase dumping margins and increase the likelihood that AD measures will be imposed. 124 Specific concerns include that “zeroing makes it extremely difficult for a firm to avoid dumping” because the reasons for price variation, such as seasonality, exchange rates, and variations in shipping costs, are not taken into account. 125 As a result, products subject to greater price variation will be more frequently subject to AD duties. 126 As the United States is the only country to actively zero, it seems unlikely that zeroing is strictly necessary to ensure that AD policy is effective at preventing dumping. One economist estimated in 2008 that “zeroing could add perhaps 3-4 % to the typical U.S. antidumping duty with a cost to the U.S. of around $150 million per year when all existing U.S. antidumping orders were determined by zeroing.” 127

Since 1995, more than 30 Panel and Appellate Body (AB) decisions have found the use of zeroing in specific AD investigations to be inconsistent with the ADA; 128 the AB has held more than a dozen times that zeroing in one form or another cannot be used. 129 In all but two cases involving zeroing, the United States has been the respondent. In two early cases, the EU was the respondent, but it changed its practices after the AB found its implementation of the practice to be inconsistent with the terms of the ADA. 130

The United States has been a respondent in more than 150 disputes before the WTO. Fifty-six of those involved the ADA and many of those cases involved zeroing. 131 In all the finalized cases, the United States lost or settled. 132 Indeed, CRS analysis has found that nearly half of all cases

121 Ibid., p. 97.
122 Ibid., p. 2.
123 Ibid., p. 10.
125 Ibid.
129 See, e.g., Appellate Body Report, United States---Anti-Dumping Measures on Certain Shrimp from Viet Nam, WT/DS429/AB/R (July 4, 2015); Appellate Body Report, United States---Continued Existence and Application of Zeroing Methodology, WT/DS350/AB/R (January 9, 2005). See also Chad P. Bown and Thomas J. Prusa, “U.S. Antidumping: Much Ado about Zeroing,” World Bank Policy Research Working Paper 5352 (June 2010), p. 3. However, a dispute panel recently upheld the use of zeroing when applied through the weighted average-to-transaction (W-T) methodology provided in the second sentence of Article 2.4.2 of the Anti-Dumping Agreement, which can only be used in certain exception circumstances. Panel Report, United States --- Anti-Dumping Measures Applying Differential Pricing Methodology to Softwood Lumber from Canada, WT/DS534/R (September 4, 2019). Although, its application was still further restricted to a specific set of circumstances. See Mavroidis and Prusa, “Die Another Day,” pp. 4-5.
131 Mavroidis and Prusa, “Die Another Day,” p. 7; WTO Index of Disputes by Agreement.
132 In one of the 49, the authority for the panel lapsed. Anti-Dumping Measures on Oil Country Tubular Goods (OCTG)
where the WTO found a U.S. practice to not be in compliance with WTO obligations involved dumping.

Much of the U.S. criticism levied at the WTO’s AB over the past decade, some have argued, has been primarily the result of cases involving U.S. implementation of the ADA. In a recent report listing U.S. concerns about the AB, the USTR identified six areas of “Appellate Body errors in interpreting WTO agreements” that it argues have “raised substantive concerns and undermine the WTO.” Five of the six concerned trade remedies, including dumping. Indeed, “dump” was the most common trade-related verb in the report. With respect to zeroing, the USTR argues, “The Appellate Body’s invention of a prohibition on the use of “zeroing” to determine dumping margins has diminished the ability of WTO members to address dumped imports that cause or threaten injury to a domestic industry.”

from Mexico, DS282.

133 This has been a common contention of Chad Bown, one of the premier scholars of zeroing, who goes further to assert that the AB’s approach to zeroing has been a central motivation for U.S. skepticism of the body. See, e.g., Bown and Prusa, “Antidumping,” p. i: “The United States use of ‘zeroing’ in its [AD] procedures has become a political flash point threatening the legitimacy of the WTO’s dispute settlement system;” Chad Bown, “Can we Save the WTO Appellate Body?,” (testimony, European Parliament Committee on International Trade, December 3, 2019): “The United States places a political priority on maintaining vibrant access to antidumping. Antidumping is often referred to as the ‘third rail’ of U.S. trade policy…[while there are many U.S. procedural concerns about the WTO AB] to some in America, there is a much bigger concern. Beginning in 1995, trading partners filed a lot of WTO disputes over U.S. use of trade defense instruments, and the [AB] simply did not show the deference that the Americans anticipated they had negotiated. There have been dozens of WTO disputes over ‘zeroing’ alone. Many more disputes challenge how US investigating authorities have conducted other aspects of AD investigations;” Chad Bown and Soumaya Keynes, “Zeroing: The Biggest WTO Threat You’ve Never Heard Of,” April 9, 2019, Trade Talks, podcast, https://piie.com/experts/peterson-perspectives/trade-talks-episode-80-zeroing-biggest-wto-threat-youve-never-heard; Chad Bown and Soumaya Keynes, “Tarrified of Trade Talks?” (lecture, 2020 Washington International Trade Conference, Washington, DC, February 4, 2020); Chad Bown and Soumaya Keynes (lecture, 20th Judicial Conference of the United States Court of International Trade, November 18, 2019).


135 Ibid.

136 Textual analysis done by CRS.

The WTO AB’s approach to trade remedies in general, and antidumping in particular, have been central in USTR’s critique of the AB and thus has likely played a significant role in its decision to block appointments to the AB. However, WTO DSB debates are not over. The USTR has approvingly cited a recent DSB decision that upheld the use of zeroing in certain limited circumstances.\(^{138}\)

As Congress considers the future U.S. relationship with the WTO and the multilateral rules-based trading order, it might address the role that antidumping has played in straining that relationship. For example, Trade Promotion Authority (TPA) expires in 2021. Should Congress decide to reauthorize TPA, it may choose to direct the President to seek revisions to the WTO’s DSU of the ADA to address some of these issues. Alternatively, Congress could encourage or direct Commerce to address some of the WTO members’ and Appellate Body’s concerns. For example, the EU and Canada once employed zeroing in antidumping investigations, but no longer do so.

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