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## FOR IMMEDIATE RELEASE

### U.S. ALUMINUM EXTRUDERS RESPOND TO INFORMATION SUGGESTING CIRCUMVENTION OF DUTIES ON SUBSIDIZED IMPORTS FROM CHINA

**Washington, D.C. (September 15, 2010)** -- The Aluminum Extrusions Fair Trade Committee (“Committee”), a coalition of domestic producers of aluminum extrusions that is one of the petitioners in the countervailing duty investigation of imports of aluminum extrusions from China, today issued a response to information in the market suggesting that Chinese producers and their U.S. importers are attempting to circumvent countervailing duties on imports of aluminum extrusions from China.

The U.S. Department of Commerce (“Commerce”) published the preliminary determination in the countervailing duty investigation in the *Federal Register* on September 7, 2010 (75 Fed. Reg. 54302-54322). Commerce found that Chinese producers and exporters were unfairly subsidized by the Chinese government. Based on this preliminary determination, Commerce will instruct Customs to suspend liquidation of imports of aluminum extrusions, and importers will be required to post a bond or deposit cash in the amount of the estimated duties. The countervailing duties range from 6.18 percent to 137.65 percent of the entered value of the merchandise. Only imports from two groups of affiliated producers are subject to countervailing duty rates of less than 137.65 percent. These two groups are the following:

#### The Guang Ya Companies (6.18 percent)

Guang Ya Aluminum Industries Co., Ltd.  
Foshan Guangcheng Aluminum Co., Ltd.  
Guang Ya Aluminum Industries Hong Kong  
Kong Ah International Company Limited  
Yongji Guanghai Aluminum Industry Co., Ltd.

#### The Zhongya Companies (10.37 percent)

Zhaoqing New Zhongya Aluminum Co., Ltd.  
Zhongya Shaped Aluminum HK Holding Ltd.  
Karlton Aluminum Company Ltd.

Imports from all other Chinese producers and exporters are subject to a countervailing duty rate of 137.65 percent. The Committee estimates that, during 2009, imports from the

Guang Ya Companies and the Zhongya Companies were less than 5 percent of total imports from China.

The Committee has learned that some Chinese producers and exporters are telling their U.S. importer customers that they can avoid duties by:

- falsely identifying the producer of the merchandise as one of the companies listed above that is subject to a lower rate;
- shipping subject aluminum extrusions through a third country, such as Korea or Mexico;
- performing a slight alteration to the extrusion in a third country; or
- classifying the merchandise as a “part” of another product instead of an aluminum profile, even though the written scope of the order covers such parts.

None of these schemes would constitute a legal means to avoid countervailing duties.

According to Stephen A. Jones, Esq., a partner at the law firm of King & Spalding in Washington, D.C., and lead counsel to the Committee, “The U.S. importer has a duty of ‘reasonable care’ to ensure that merchandise that is subject to an antidumping or countervailing duty order is identified as such at the time of entry. The knowing and willful failure to enter subject merchandise accurately is a violation of law and could subject the importer to criminal sanctions, including imprisonment. The negligent failure to enter merchandise correctly could subject the importer to significant monetary penalties in addition to the duties.”

Added Jones, “The legal sanctions are potentially severe, and the risks are great for importers who attempt to avoid duties illegally. On behalf of domestic producers and their employees, we intend to work with the industry to collect evidence of illegal circumvention, notify Customs when such evidence is obtained, and assist Customs with their investigations and prosecutions of potential violations of law.”

The Chairman of the Committee, Duncan Crowdis, the President of Bonnell Aluminum, Newnan, Georgia, stated, “The Committee wants to make sure that importers understand their obligations and do not think that duties can be circumvented legally and easily. We expect that most importers would not attempt to avoid duties illegally. However, we owe it to our investors and employees to do what we can to ensure that the domestic industry obtains the full benefits of Commerce’s preliminary determination. We cannot and will not tolerate illegal circumvention of Commerce’s finding.”

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