

## Commerce Issues Preliminary Determination Finding Chinese Solar Producers Receive Countervailable Subsidies

*Ruby Hong*

The Department of Commerce (Commerce) preliminarily determined on June 3 that the Chinese government subsidizes the production and export of crystalline silicon photovoltaic solar cells (solar cells), as well as modules, laminates, and/or panels consisting of solar cells, with subsidy rates ranging from 18.56 percent to 35.21 percent. Commerce initiated the investigation in January 2014 following a petition filed by SolarWorld Industries America, Inc. In the petition, SolarWorld sought to close a loophole that allowed some Chinese solar producers to avoid duties imposed as a result of SolarWorld's successful 2012 antidumping and countervailing duty cases on solar cells exported from China (as discussed in the [November 2011](#), [November 2012](#), and [February 2014](#) editions of the Trade & Manufacturing Alert). [More »](#)

## United States Prevails in WTO Dispute Challenging China's Duties on U.S. Automobiles

*Kate Benner*

Last month, a World Trade Organization (WTO) Panel issued a report favorable to the United States, ruling against Chinese duties on American auto exports. China had imposed tariffs on U.S. cars and SUVs with engine capacities of 2.5 liters or more, claiming that these vehicles were improperly subsidized by the U.S. government during the auto bailout and were dumped, or sold below market value, in China. In ruling against China's imposition of duties, the Panel report pointed to the Chinese investigation's lack of procedural transparency, improper assessment of injury to China's domestic industry, and unsupported computation of duties levied against U.S. companies that were not individually investigated. These WTO-inconsistent duties, imposed in 2011 and ranging from 2 percent to 21.5 percent, affected \$5.1 billion in U.S. exports last year. U.S. Trade Representative Michael Froman described the decision as a "significant victory" that "impacts our nation's workers and their families." [More »](#)

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## Court Overturns Longstanding Country-of-Origin Methodology Used for Trade Order Scope Determinations

Brian McGill

The scope definition contained in a trade relief order determines whether a product is subject to antidumping or countervailing duties, *i.e.*, whether the imported product is "subject merchandise." When component parts of subject merchandise are processed in a third country to produce the finished product, the Department of Commerce (Commerce) must determine whether the processing in the third country is sufficient to "substantially transform" the components so as to change the country of origin from the country where the components were produced to the country where the final processing occurred. If the third-country processing does not substantially transform the components, the country of origin does not change and the finished product's country of origin is the country where the components were produced. [More »](#)

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### News Of Note

- **Yemen Becomes the 160th Member of the WTO** – [Cole Pfeiffer and Jordan Shepherd](#) – Yemen became the 160th and newest member of the World Trade Organization (WTO) on June 26 – 30 days after depositing its "Instrument of Acceptance." [More »](#)
- **Secretary Of Commerce Names First Round Of "Manufacturing Communities"** – [Erienne Kilgore Shannon Doyle Barna](#) – On May 28, Secretary of Commerce Penny S. Pritzker designated the first 12 U.S. "manufacturing communities" as part of the Obama Administration's Investing in Manufacturing Communities Partnership Program. [More »](#)
- **Stefan Selig Confirmed as Undersecretary of Commerce for International Trade** – [Szymon Maziakowski and P. Lee Smith](#) – The Senate has confirmed Stefan Selig as undersecretary of International Trade at the Department of Commerce. [More »](#)
- **President Obama Names Meredith Broadbent as Chairman and Dean Pinkert as Vice Chairman of the U.S. International Trade Commission** – [Joshua Snead](#) – President Obama designated Meredith M. Broadbent, a Republican of Virginia, as Chairman of the U.S. International Trade Commission (USITC) on June 17. On the same day, President Obama designated Dean A. Pinkert, a Democrat of Virginia, as Vice Chairman of the USITC. [More »](#)

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