Antidumping Reform: Some Modest Proposals

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Common Complaints

1) Uncertainty about dumping margin

2) Uncertainty about termination

3) “Innocent” parties --cumulation
Plausible Reforms

1. Mandatory “Lesser Duty”

2. Reform of “sunset” provisions

3. Increased *de minimis* for margin and import market share
Lesser Duty Rule

Option: Duty that eliminates underselling

Consequence: Lessen importance of dumping margin calculations
Dumping margin

Injury margin

Normal value

Export price

Domestic firm’s price
De Minimis

• Current system: 2 percent for original investigations

• Measurement error

• Increase to say, 5 percent

• Impose a minimum import market share of 5 percent
Sunset Review Reform

- Open-ended (but with 5 year review)

- Current presumption (in practice): order stays in place

- Possible reform: 6 years then definitive termination for at least two years
Summary

• Enhancing its potential as “safety valve”

• “Lesser duty” + definite termination = discriminatory safeguard

• De minimis changes: protecting “innocent bystanders”