

FACT SHEET

ZEROING

- “Zeroing” is the antidumping margin calculation methodology of not offsetting non-dumped sales against dumped sales.
- In October 2005, a WTO dispute settlement panel found that Commerce’s application of zeroing in the dumping margin calculation in 15 investigations involving the EC was inconsistent with U.S. WTO obligations. This was the third WTO decision against the U.S. use of zeroing.

US-EC Litigation

- On December 27, 2006, in order to comply with the repeated WTO losses, Commerce announced it would no longer use zeroing in average-to-average comparisons in investigations. This change becomes effective February 22, 2007.
- Commerce also agreed to implement the WTO decision regarding the EC cases at issue by April 9 – the reasonable period of time for implementation.
- If the EC considers that the United States has not properly implemented the report, the EC may seek to pursue further WTO dispute proceedings and may request authorization to retaliate against the United States.

US-Japan Litigation

- On January 23, 2007, the WTO ruled in the zeroing dispute between the United States and Japan. This decision is the most far-reaching decision yet on this issue, going beyond the report in the dispute with the EC.
- The WTO found that the United States maintains an unwritten measure that requires the use of zeroing in all aspects of an antidumping case, including in the assessment of antidumping duties in reviews. In addition, the WTO found that this zeroing “measure” is “as such” inconsistent with the Antidumping Agreement.