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MICHAEL KLEBANOV

WASHINGTON:

202.378.2363

MICHAEL.KLEBANOV@

HUSCHBLACKWELL.COM

JOSEPH S. DIEDRICH

MILWAUKEE:

414.978.5425

WASHINGTON:

202.378.2300

MADISON:

608.255.4440

JOSEPH.DIEDRICH@

Husch Blackwell Secures First-of-Its-Kind Decision in Trade Dispute

U.S. COURT OF INTERNATIONAL TRADE VACATES U.S.-MEXICO SUGAR AGREEMENT

Husch Blackwell secured a victory on behalf of client CSC Sugar LLC in its dispute before the U.S. Court of International Trade (CIT) concerning the U.S. Department of Commerce's determination in 2017 to amend an agreement concerning imported sugar from Mexico.

The 2017 amendment was the result of negotiations between the governments of the United States and Mexico that changed the purity definition of refined sugar, effectively altering the product definition for trade purposes and significantly imperiling CSC's business, whose cutting-edge refining processes were developed to use a higher purity input.

The amendment was made to a 2014 agreement that suspended an antidumping duty investigation that stemmed from the U.S. sugar industry's efforts to stop the flow of Mexican sugar into the U.S. at less than fair-value prices.

The Husch Blackwell team, led by Washington-based partner Jeffrey Neeley, developed a legal strategy that challenged the Commerce Department's failure to place information regarding *ex parte* meetings of discussions with other members of the domestic industry and Commerce officials, including Secretary Wilbur Ross, on the record. Ultimately, the CIT agreed, holding that Commerce had acted in violation of the law regarding the agreement. As a result, the court stated that the Commerce decision was vacated and that the amended agreement with Mexico is null and void. This is the first decision in which a suspension agreement of any kind has been overturned.

“We’re pleased that the court agreed with our argument concerning recordkeeping and material information that was not placed on the record,” said Neeley. “We look forward to working with the government over the coming weeks and months to develop a lasting solution to the issues our case addressed.”

The Husch Blackwell team included Neeley, Michael Klebanov, Joseph Diedrich, Nithya Nagarajan, Steve Brophy and Eric Krauss.