

Nation Ford Chemical owners fight foreign competition

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John Dickson, owner of Nation Ford Chemical

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FORT MILL — It's an all too familiar story. You know the ending before it even starts.

Small, locally owned company makes a good product. As the company grows, foreign competitors enter the market, selling the same product at a cheaper price because their labor costs are minimal and they don't have to comply with the same environmental rules governing U.S. companies.

The local company can't compete, closes, and jobs are lost. Overseas competition rules the market.

That easily could have happened to the 100 workers at Nation Ford Chemical, a growing Fort Mill firm near the banks of the Catawba River. The company is the leader in several niches of the chemical industry, including crude violet pigment used in inks, and sulfanilic acid used in food coloring dyes and as a brightening agents for papers.

Instead of floundering, Nation Ford Chemical owner John Dickson decided to fight. He successfully lobbied for anti-dumping protection for both products.

When that wasn't enough, he took a multinational company with deep pockets to court, alleging it had lied about where its products were made to avoid U.S. import duties, defrauding the United States out of millions of dollars.

Last December, Toyo Ink of Japan agreed to pay \$45 million to the U.S. government to settle the allegations Dickson made about its production of crude violet pigment. His share of the settlement was almost \$8 million, which was split between Nation Ford Chemical and Sun Chemical, the company that purchases the crude violet pigment from NFC.

The case, says Mickey Aberman, Dickson's attorney, sends a signal to the chemical industry and others facing foreign competition: you can do this. A small company can be successful in fighting for fair trade protections.

But, Aberman cautions, you can't do it without the likes of a John Dickson. You must have someone who knows his industry inside and out, on and off shore, and is willing to fight for the company.

"Dickson is tenacious and thorough," said Jim DeLisi, president of Fanwood Chemical in New Jersey. "He has the ability to absorb information and play three-dimensional chess with it."

The irony, says Aberman of the Charlotte law firm James McElroy and Diehl, is that many other companies have been similarly harmed but lacked the incentive to proceed.

Dickson, 75 with silver hair and glasses, doesn't look like a David ready to slay a Goliath or Godzilla. He has spent most of his career in the chemical industry, helping found National Ford Chemical in 1978 and becoming its owner in 1990.

In the early 1990s, Dickson successfully lobbied for anti-dumping protection for sulfanilic acid, arguing firms in India and China were exporting the acid to U.S. companies at prices that were far less than fair market value. The exports were putting many small U.S. firms out of business, Dickson said.

At the time, Dickson was one of the few chemical executives arguing before the U.S. International Trade Commission. The commission agreed to anti-dumping tariffs so prices for domestic and imported acid would be competitive.

The commission has renewed the tariffs as recently as 2011 when it found that dropping the anti-dumping protections would lead to more foreign companies dumping sulfanilic acid in the United States.

He similarly fought for anti-dumping protection for crude violet pigment. But when it became apparent that foreign competitors had found a way around those rules, he filed suit under the Fair Claims Act. The act, which dates to the Civil War, is used to protect the government from fraud. It is generally used by whistleblowers involved with health care, military or other government spending programs.

Before filing the suit, Dickson went to China where he believed Toyo was buying the violet pigment. From his experience, Dickson knew you could buy all sorts of information for the right price in China.

He purchased the export data and had it translated. The data was pivotal in showing the violet crude was made in China. Toyo had claimed it had substantially refined the crude violet pigment, allowing it to claim the chemical was of Japanese origin.

Dickson and his lawyers filed a “scope review” request with the U.S. Department of Commerce, asking the department to determine where the crude violet pigment originated. Toyo was arguing it has substantially transformed pigment from China, giving it country of origin status.

Commerce determined the country of origin was China and “we stripped Toyo of its main defense,” Aberman said. The Department of Justice entered the suit and reached a good settlement, said Aberman and Dickson.

The result is Dickson’s good reputation in the chemical industry and the respect he has gained at the Commerce and Justice departments, and, most importantly, the International Trade Commission.

His expertise is now being sought by others, and you can see the respect the commission pays him, DeLisi said.

Most of all, however, Dickson protected his company and his industry.

“National Ford Chemical wouldn’t be there without John Dickson,” DeLisi said.

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