



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Steel Threaded Rod from India

- On July 7, 2014, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of steel threaded rod from India.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of steel threaded rod from India have been sold in the United States at dumping margins ranging from 16.74 to 119.87 percent.
- Commerce also determined that imports of steel threaded rod from India have received countervailable subsidies ranging from 8.61 to 39.46 percent.
- In the AD investigation, mandatory respondents Mangal Steel Enterprises Limited and Babu Exports received final dumping margins of 16.74 percent and 119.87, respectively. Babu Exports' margin is based on adverse facts available because it failed to respond to Commerce's questionnaire. All other producers/exporters in India received a final dumping margin of 16.74 percent.
- In the CVD investigation, mandatory respondents Mangal Steel Enterprises Limited and Babu Exports received final subsidy rates of 8.61 percent and 39.46 percent, respectively. Babu Exports' subsidy rate is based on adverse facts available because it failed to respond to Commerce's questionnaire. All other producers/exporters in India have been assigned a final subsidy rate of 8.61 percent.
- As a result of the final affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation, if the U.S. International Trade Commission issues an affirmative injury determination, and Commerce will reduce the AD cash deposit rates, as appropriate, for export subsidies. If the U.S. International Trade Commission (ITC) issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- The petitioners for these investigations are All America Threaded Products (CO), Bay Standard Manufacturing, Inc. (CA), and Vulcan Threaded Products Inc. (AL).
- The merchandise covered by this investigation is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. Included in the scope of this investigation are steel threaded rod, bar, or studs, in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:
 - 1.80 percent of manganese, or
 - 1.50 percent of silicon, or
 - 1.00 percent of copper, or
 - 0.50 percent of aluminum, or
 - 1.25 percent of chromium, or
 - 0.30 percent of cobalt, or
 - 0.40 percent of lead, or
 - 1.25 percent of nickel, or
 - 0.30 percent of tungsten, or
 - 0.012 percent of boron, or
 - 0.10 percent of molybdenum, or
 - 0.10 percent of niobium, or
 - 0.41 percent of titanium, or
 - 0.15 percent of vanadium, or
 - 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Excluded from the scope of this investigation are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (ASTM) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.

- In 2013, imports of steel threaded rod from India were valued at an estimated \$19 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on August 17, 2014.

- If the ITC makes an affirmative final determination that imports of steel threaded rod from India materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATES*
India	Mangal Steel Enterprises Limited	16.74%	8.13%
	Babu Exports	119.87%	104.70%
	All Others	16.74%	8.13%

* The cash deposit rates account for the applicable company-specific export subsidy rates of 8.61 percent for Mangal Steel Enterprises Ltd., 15.17 percent for Babu Exports, and 8.61 percent for all-others.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES*
India	Mangal Steel Enterprises Limited	8.61%
	Babu Exports	39.46%
	All Others	8.61%

* The subsidy rate and the cash deposit rate are the same.

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	June 27, 2013	June 27, 2013
DOC Initiation Date	July 17, 2013	July 17, 2013
ITC Preliminary Determination	August 12, 2013	August 27, 2013
DOC Preliminary Determination[^]	December 11, 2013	February 10, 2014
DOC Final Determination[*]	July 3, 2014	July 3, 2014
ITC Final Determination	August 17, 2014[†]	August 17, 2014[†]
Issuance of Order^{**}	August 24 2014	August 24, 2014

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

[^] As explained in the Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Deadlines Affected by the Shutdown of the Federal Government” (October 18, 2013), Commerce has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, through October 16, 2013. Therefore, the deadlines in this investigation have been extended by 16 days.

[†]Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

^{*}The final determination has been aligned with the final determination in the concurrent antidumping duty investigation.

^{**}This will take place only in the event of final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

INDIA	2011	2012	2013
Volume (metric tons)	15,400	12,200	15,500
Value (USD)	20,598,000	16,561,000	19,001,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7318.15.5056, 7318.15.5051, 7318.15.5090, and 7318.15.2095)
Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.