



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Steel Nails from the Socialist Republic of Vietnam and Preliminarily Finds No Countervailable Subsidization of Imports of Certain Steel Nails from the Republic of Korea, Malaysia, the Sultanate of Oman, and Taiwan

- On October 28, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the CVD investigation of imports of certain steel nails from the Socialist Republic of Vietnam (Vietnam) and its negative preliminary determinations in the CVD investigations of imports of certain steel nails from the Republic of Korea (Korea), Malaysia, the Sultanate of Oman (Oman), and Taiwan.
- The CVD law provides U.S. business and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- 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.
- In the Korea investigation, Commerce preliminarily determined that mandatory respondents Daejin Steel Company and Jinheung Steel Corporation received subsidy rates of 0.15 percent and 0.18 percent, respectively. These rates are *de minimis* under U.S. law, resulting in a negative preliminary determination that applies to the country as a whole.
- In the Malaysia investigation, Commerce preliminarily determined that mandatory respondents Inmax Sdn. Bhd. and Region International Co., Ltd. received subsidy rates of 0.01 percent and 0.02 percent, respectively. These rates are *de minimis*, resulting in a preliminary negative determination that applies to the country as a whole.
- In the Oman investigation, Commerce preliminarily determined that mandatory respondent Oman Fasteners LLC received a subsidy rate of 0.25 percent. This rate is *de minimis*, resulting in a preliminary negative determination that applies to the country as a whole.
- In the Taiwan investigation, Commerce preliminarily determined that mandatory respondent PT Enterprise, Inc. and Quick Advance, Inc. received subsidy rates of 0.03 percent (*de minimis*) and 0.00 percent, respectively. These zero and *de minimis* rates result in a preliminary negative determination that applies to Taiwan as a whole.
- In the Vietnam investigation, Commerce preliminarily determined that mandatory respondents Region Industries Co., Ltd. and United Nail Products Co., Ltd. received subsidy rates of 8.35 percent

and 0.17 percent (*de minimis*), respectively. All other exporters of certain steel nails from Vietnam will be subject to the 8.35 percent subsidy rate.

- As a result of the preliminary affirmative CVD determination for Vietnam, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit for CVD duties equal to the subsidy rate for Region Industries Co., Ltd. and all other producers and exporters not selected for individual examination in this investigation; Commerce will require no cash deposit for United Nail Products Co., Ltd. because the rate for this company is *de minimis*.
- As a result of the negative preliminary determinations, no cash deposit will be required for imports of certain steel nails from Korea, Malaysia, Oman, or Taiwan.
- The petitioner for these investigations is Mid Continent Steel & Wire, Inc. (MO).
- The merchandise covered by these investigations is certain steel nails having a nominal shaft length not exceeding 12 inches.¹ Certain steel nails include, but are not limited to, nails made from round wire and nails that are cut from flat-rolled steel. Certain steel nails may be of one piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and may have any type of surface finish, head type, shank, point type and shaft diameter. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, including but not limited to electroplating or hot dipping one or more times), phosphate, cement, and paint. Certain steel nails may have one or more surface finishes. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted. Screw-threaded nails subject to this proceeding are driven using direct force and not by turning the nail using a tool that engages with the head. Point styles include, but are not limited to, diamond, needle, chisel and blunt or no point. Certain steel nails may be sold in bulk, or they may be collated in any manner using any material. If packaged in combination with one or more non-subject articles, certain steel nails remain subject merchandise if the total number of nails of all types, in aggregate regardless of size, is equal to or greater than 25.
- Excluded from the scope of these investigations are certain steel nails packaged in combination with one or more non-subject articles, if the total number of nails of all types, in aggregate regardless of size, is less than 25.
- Also excluded from the scope of these investigations are steel nails that meet the specifications of Type I, Style 20 nails as identified in Tables 29 through 33 of ASTM Standard F1667 (2013 revision).
- Also excluded from the scope of these investigations are nails suitable for use in powder-actuated hand tools, whether or not threaded, which are currently classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.20.00 and 7317.00.30.00.

¹ The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

- Also excluded from the scope of these investigations are nails having a case hardness greater than or equal to 50 on the Rockwell Hardness C scale (HRC), a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools.
- Also excluded from the scope of these investigations are corrugated nails. A corrugated nail is made up of a small strip of corrugated steel with sharp points on one side.
- Also excluded from the scope of these investigations are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.
- Certain steel nails subject to these investigations are currently classified under HTSUS subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to these investigations also may be classified under HTSUS subheading 8206.00.00.00. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.
- In 2013, imports of certain steel nails from Korea, Malaysia, Oman, Taiwan, and Vietnam, were valued at an estimated \$57.2 million, \$31 million, \$48.9 million, \$99.4 million, and \$34.7 million, respectively.

NEXT STEPS

- Commerce has aligned the CVD investigations with the concurrent antidumping duty investigations, and is scheduled to announce its final determinations on or about March 3, 2015, unless the statutory deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of certain steel nails from Korea, Malaysia, Oman, Taiwan and/or Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations in April 2015.

PRELIMINARY SUBSIDY RATES:

COUNTRY/ ECONOMY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	Daejin Steel Company	0.15% (<i>de minimis</i>)*
	Jinheung Steel Corporation	0.18% (<i>de minimis</i>)*

COUNTRY/ ECONOMY	EXPORTER/PRODUCER	SUBSIDY RATES
Malaysia	Inmax Sdn. Bhd.	0.01% (<i>de minimis</i>)*
	Region International Co., Ltd.	0.02% (<i>de minimis</i>)*

COUNTRY/ ECONOMY	EXPORTER/PRODUCER	SUBSIDY RATES
Oman	Oman Fasteners LLC	0.25% (<i>de minimis</i>)*

COUNTRY/ ECONOMY	EXPORTER/PRODUCER	SUBSIDY RATES
Taiwan	PT Enterprise, Inc.	0.03% (<i>de minimis</i>)*
	Quick Advance, Inc.	0.00%

COUNTRY/ ECONOMY	EXPORTER/PRODUCER	SUBSIDY RATES
Vietnam	Region Industries Co., Ltd.	8.35%
	United Nail Products Co., Ltd.	0.17% (<i>de minimis</i>)*
	All Others	8.35%

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	DATE
Petitions Filed	May 29, 2014
DOC Initiation Date	June 18, 2014
ITC Preliminary Determination	July 14, 2014
DOC Preliminary Determination	October 27, 2014
DOC Final Determination	March 2, 2015
ITC Final Determination*	April 16, 2015
Issuance of Order**	April 23, 2015

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. These deadlines may be extended under certain circumstances.

*This will take place only in the event of final affirmative determinations by Commerce.

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IMPORT STATISTICS:

KOREA	2011	2012	2013
Volume (metric tons)	35,900	44,600	48,100
Value (USD)	47,149,000	58,092,000	57,209,000
MALAYSIA	2011	2012	2013
Volume (metric tons)	21,000	29,000	30,300
Value (USD)	23,535,000	34,478,000	31,024,000
OMAN	2011	2012	2013
Volume (metric tons)	40	6,800	35,300
Value (USD)	48,100	8,347,000	48,885,000
TAIWAN	2011	2012	2013
Volume (metric tons)	53,300	77,100	68,400
Value (USD)	80,828,000	113,728,000	99,446,000
VIETNAM	2011	2012	2013
Volume (metric tons)	11,600	26,200	39,800
Value (USD)	11,770,000	25,585,000	34,712,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7317.00.5502, 7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5508, 7317.00.5511, 7317.00.5518, 7317.00.5519, 7317.00.5520, 7317.00.5530, 7317.00.5540, 7317.00.5550, 7317.00.5560, 7317.00.5570, 7317.00.5580, 7317.00.5590, 7317.00.6530, 7317.00.6560, and 7317.00.7500.) Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.