



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Certain Cold Rolled Steel Flat Products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom

- On March 1, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of certain cold rolled steel flat products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom.
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious dumping 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.
- In the Brazil investigation, mandatory respondent Companhia Siderurgica Nacional received a calculated preliminary dumping margin of 38.93 percent. The second mandatory respondent, Usiminas Siderurgicas de Minas Gerais (Usiminas), did not respond to all of Commerce's requests for information, and therefore received a dumping margin based on adverse facts available. Consistent with Commerce's practice with regard to the application of facts available with adverse inferences, when determining a rate that is adverse, Commerce selects the higher of either the petition rate or highest calculated rate in the proceeding. Based on this, Usiminas and all other producers/exporters in Brazil also received a preliminary dumping margin of 38.93 percent.
- In the China investigation, no company responded to Commerce's requests for information. Accordingly, all producers/exporters in China received a preliminary dumping margin of 265.79 percent, based on adverse facts available.
- In the India investigation, the sole mandatory respondent JSW Steel Limited/JSW Coated Products Limited received a preliminary dumping margin of 6.78 percent. All other producers/exporters in India received a preliminary dumping margin of 6.78 percent.
- In the Japan investigation, mandatory respondents JFE Steel Corporation and Nippon Steel & Sumitomo Metal Corporation did not respond to Commerce's requests for information. Accordingly, both mandatory respondents received a preliminary dumping margin of 71.35 percent, based on adverse facts available. All other producers/exporters in Japan received a preliminary dumping margin of 71.35 percent.
- In the Korea investigation, mandatory respondents POSCO/Daewoo International Corporation and Hyundai Steel Corporation received preliminary dumping margins of 6.89 percent and 2.17 percent, respectively. All other producers/exporters in Korea received a preliminary dumping margin of 4.53 percent.

- In the Russia investigation, mandatory respondents Joint Stock Company Severstal and Novolipetsk Steel OJSC received preliminary dumping margins of 12.62 percent and 16.89 percent, respectively. All other producers/exporters in Russia received a preliminary dumping margin of 14.76 percent.
- In the United Kingdom investigation, mandatory respondents Caparo Precision Strip, Ltd. and Tata Steel UK Ltd. received preliminary dumping margins of 5.79 percent and 31.39 percent, respectively. All other producers/exporters in the United Kingdom received a preliminary dumping margin of 28.03 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- Commerce preliminary found that critical circumstances exist with respect to certain exporters from China, Japan, and Russia. Where critical circumstances were found, CBP will be instructed to impose provisional measures retroactively on entries of cold rolled steel flat products effective 90 days prior to publication of the preliminary determinations in the *Federal Register*.
- The petitioners for these investigations are AK Steel Corporation (OH), ArcelorMittal USA LLC (Chicago, IL), Nucor Corporation (Charlotte, NC), Steel Dynamics, Inc. (Fort Wayne, IN), and United States Steel Corporation (Pittsburgh, PA).
- The products covered by these investigations are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these investigations are products 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:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Ball bearing steels;¹

¹ Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less

- Tool steels;²
- Silico-manganese steel;³
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel From Germany, Japan, and Poland*.⁴
- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.⁵

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

² Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

³ Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

⁴ *Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 42,501, 42,503 (Dep't of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as "a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths."

⁵ *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 Fed. Reg. 71,741, 71,741-42 (Dep't of Commerce, Dec. 3, 2014). The orders define NOES as "cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term 'substantially equal' means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied."

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigations is dispositive.

- In the Japan investigation, certain ultra-tempered automotive steel has been excluded from the scope of the investigation.
- In 2014, imports of certain cold rolled steel flat products from Brazil, China, India, Japan, Korea, Russia, and the United Kingdom were valued at an estimated \$65 million, \$514 million, \$57 million, \$143 million, \$206 million, \$54 million, and \$132 million, respectively.

NEXT STEPS

- Commerce will next conduct on-site verification of the information submitted in the questionnaire responses filed by the respondent companies, and will issue the resulting verification reports to all interested parties. Interested parties will then be afforded an opportunity to provide legal arguments on the preliminary determination and the verification reports, and participate in a public hearing, if one is requested.
- Commerce is currently scheduled to announce its final determinations in the China and Japan investigations on or about May 17, 2016, unless the statutory deadlines are extended. The final determinations in the Brazil, India, Korea, Russia, and United Kingdom investigations have been extended, and are scheduled to be announced on or about July 13, 2016.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of certain cold rolled steel flat products from Brazil, China, India, Japan, Korea, Russian, and/or the United Kingdom, materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce’s or the ITC’s final determinations are negative, no AD orders will be issued. The ITC is currently scheduled to make its final injury determinations in the China and Japan investigations in June 2016 and the Brazil, India, Korea, Russia, and United Kingdom investigations in August 2016.

PRELIMINARY DUMPING MARGINS:

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|---|------------------------|
| Brazil | Companhia Siderurgica Nacional | 38.93% |
| | Usiminas Siderugicas de Minas Gerais | 38.93% |
| | All Others | 38.93% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|--------------------------|------------------------|
| China | China-Wide Rate | 265.79% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|--|------------------------|
| India | JSW Steel Limited/JSW Coated Products Limited | 6.78 % |
| | All Others | 6.78 % |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|--------------------------|--|------------------------|
| Japan⁶ | JFE Steel Corporation | 71.35% |
| | Nippon Steel & Sumitomo Metal Corporation | 71.35% |
| | All Others | 71.35% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|---|------------------------|
| Korea | POSCO/Daewoo International Corporation | 6.85% |
| | Hyundai Steel Corporation | 2.17% |
| | All Others | 4.53% |

⁶ On December 10, 2015, we selected Hitachi as a voluntary respondent. Subsequently, Petitioners provided a revised scope confirming that certain ultra-tempered automotive steel strip is excluded from the scope of the Japan investigation. Based on record evidence, all of Hitachi's reported home market and U.S. sales and production cost covered certain ultra-tempered automotive steel strip that is excluded from the scope of the Japan investigation.

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|--------------------------------------|------------------------|
| Russia | Joint Stock Company Severstal | 12.62% |
| | Novolipetsk Steel OJSC | 16.89% |
| | All Others | 14.76% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|-----------------------|-------------------------------------|------------------------|
| United Kingdom | Caparo Precision Strip, Ltd. | 5.79% |
| | Tata Steel UK Ltd. | 31.39% |
| | All Others | 28.03% |

CASE CALENDAR:

| EVENT | China and Japan | Brazil, India, Korea, Russia, and the United Kingdom |
|--|---------------------------------|---|
| Petitions Filed | July 28, 2015 | July 28, 2015 |
| DOC Initiation Date | August 17, 2015 | August 17, 2015 |
| ITC Preliminary Determination | September 11, 2015 | September 11, 2015 |
| DOC Preliminary Determination[^] | February 29, 2016 | February 29, 2016 |
| DOC Final Determination | May 16, 2016[†] | July 13, 2016 |
| ITC Final Determination | June 30, 2016 | August 29, 2016 |
| Issuance of Order^{**} | July 7, 2016 | September 5, 2016 |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

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

[^]We have received requests for extension of the final determinations for Brazil, India, Korea, Russia, and the United Kingdom.

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

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

[^]As explained in the Memorandum for the record from Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm 'Jonas'" (January 27, 2016), Commerce has exercised its discretion to toll deadlines for four business days. Therefore, the preliminary determination date for these investigations has been tolled by four days and all other deadlines have been adjusted accordingly.

IMPORT STATISTICS:

| BRAZIL | 2012 | 2013 | 2014 |
|-----------------------|-------------|-------------|-------------|
| Volume (metric tons) | 88,600 | 29,900 | 89,600 |
| Value (USD) | 62,785,000 | 19,742,000 | 65,192,000 |
| CHINA | 2012 | 2013 | 2014 |
| Volume (metric tons) | 252,300 | 242,700 | 792,300 |
| Value (USD) | 179,781,000 | 155,799,000 | 513,816,000 |
| INDIA | 2012 | 2013 | 2014 |
| Volume (metric tons) | 6,900 | 15,900 | 77,700 |
| Value (USD) | 8,682,000 | 13,915,000 | 56,888,000 |
| JAPAN | 2012 | 2013 | 2014 |
| Volume (metric tons) | 129,700 | 140,300 | 130,700 |
| Value (USD) | 157,287,000 | 158,414,000 | 142,610,000 |
| KOREA | 2012 | 2013 | 2014 |
| Volume (metric tons) | 156,800 | 168,100 | 234,200 |
| Value (USD) | 149,147,000 | 145,903,000 | 206,349,000 |
| RUSSIA | 2012 | 2013 | 2014 |
| Volume (metric tons) | 0 | 200 | 81,100 |
| Value (USD) | 0 | 111,400 | 54,573,000 |
| UNITED KINGDOM | 2012 | 2013 | 2014 |
| Volume (metric tons) | 38,600 | 48,200 | 111,200 |
| Value (USD) | 63,682,000 | 77,540,000 | 131,963,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

The above HTSUS subheadings may cover both subject and non-subject merchandise.

Imports of cold-rolled steel flat products may also enter under 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.