



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Corrosion-Resistant Steel Products from China, India, Italy, and Korea and No Countervailable Subsidization of Imports from Taiwan

- On November 3, 2015, the Department of Commerce (Commerce) announced its preliminary affirmative determinations in the countervailing duty (CVD) investigations of imports of corrosion-resistant steel products from China, India, Italy, Korea, and its preliminary negative determination in the CVD investigation of imports of corrosion-resistant steel products from 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 China investigation, Commerce preliminarily determined that mandatory respondent Yieh Phui (China) Technomaterial Co., Ltd. received a subsidy rate of 26.26 percent. Mandatory respondents Angang Group Hong Kong Company Ltd., Baoshan Iron & Steel Co., Ltd., Dufenco S.A. (and its cross-owned companies Hebei Iron & Steel Group, and Tangshan Iron and Steel Group Co., Ltd.), Changshu Everbright Material Technology, and Handan Iron & Steel Group either notified Commerce that they would not participate in this investigation or did not participate in the investigation. As a result, these companies received a subsidy rate of 235.66 percent based on adverse facts available following Commerce's preliminary determination that the companies had not cooperated in the investigation. All other producers/exporters in China have been assigned a preliminary subsidy rate of 26.26 percent.
- In the India investigation, Commerce preliminarily determined that mandatory respondents JSW Steel Limited received a subsidy rate of 2.85. Respondent Uttam Galva Steels Limited preliminarily received a subsidy rate of 7.71 percent. All other producers/exporters in India have been assigned a preliminary subsidy rate of 5.28 percent.
- In the Italy investigation, Commerce preliminarily determined that mandatory respondents Acciaieria Arvedi S.p.A. and Marcegaglia S.p.A. received subsidy rates of 0.38 percent and 0.04 percent, respectively, which are *de minimis*. Respondent Ilva S.p.A., which did not participate in this investigation, received a subsidy rate of 38.41 percent based on adverse facts available following Commerce's preliminary determination that the company had not cooperated in the investigation. All other producers/exporters in Italy have been assigned a preliminary subsidy rate of 13.06 percent.
- In the Korea investigation, Commerce preliminarily determined that mandatory respondents Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd. (Dongbu) received a subsidy rate of 1.37 percent and Union Steel Manufacturing Co. Ltd./Dongkuk Steel Mill Co., Ltd. (Union/Dongkuk) received a

subsidy rate 0.69 percent, which is *de minimis*. All other producers/exporters in Korea have been assigned a preliminary subsidy rate of 1.37 percent.

- In the Taiwan investigation, Commerce preliminarily determined that mandatory respondents Prosperity Tieh Enterprise Co., Ltd. (PT); Hong-Ye Steel Co., Ltd. (HY); Prosperity Did Enterprise Co., Ltd. (PD); and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies) and Yieh Phui Enterprise Co., Ltd. (Yieh Phui); Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn) (collectively Yieh Phui Companies) received subsidy rates of 0.00 percent, which is *de minimis*. Because the preliminary determination is negative, no “all others” rate has been applied to any other producers/exporters in Taiwan.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary subsidy rates.
- Commerce preliminary found that critical circumstances exist with respect to certain exporters from China, Italy, Korea, and Taiwan. Where critical circumstances were found with respect to China, Italy, and Korea, CBP will be instructed to impose provisional measures retroactively on entries of corrosion-resistant steel from those exporters, up to 90 days prior to publication of the respective preliminary determination *Federal Register* notice. No critical circumstances were found with respect to exports of corrosion-resistant steel from India. Because of Commerce’s preliminary negative determination with respect to Taiwan, retroactive provisional measures will not be applied.
- The petitioners for these investigations are United States Steel Corporation (PA), Nucor Corporation (NC), ArcelorMittal USA (IL), AK Steel Corporation (OH), Steel Dynamics, Inc. (IN), and California Steel Industries, Inc. (CA).
- The products covered by these investigations are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a 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 and high strength low alloy (HSLA) steels. 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.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

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:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (“terne plate”), or both chromium and chromium oxides (“tin free steel”), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;

- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigations may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

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

- In 2014, imports of corrosion-resistant steel products from China, India, Italy, Korea, and Taiwan were valued at an estimated \$685 million, \$379.5 million, \$99.1 million, \$416.7 million, and \$577.5 million, respectively, for a total of \$2.2 billion.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about January 19, 2016; 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 China, India, Italy, Korea, and/or Taiwan 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 March 2015.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Yieh Phui (China) Technomaterial Co., Ltd.	26.26%
	Angang Group Hong Kong Company Ltd.	235.66%*
	Baoshan Iron & Steel Co., Ltd.	235.66%*
	Duferco S.A., Hebei Iron & Steel Group, and Tangshan Iron and Steel Group Co., Ltd.	235.66%*
	Changshu Everbright Material Technology	235.66%*
	Handan Iron & Steel Group	235.66%*
	All Others	26.26%

*This rate is based on adverse facts available, because the company did not participate in the investigation.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	JSW Steel Limited	2.85%
	Uttam Galva Steels Limited	7.71%
	All Others	5.28%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Italy	Acciaieria Arvedi S.p.A.	0.38% (<i>de minimis</i>)
	Marcegaglia S.p.A.	0.04% (<i>de minimis</i>)
	Ilva S.p.A.	38.41%*
	All Others	13.06%

*This rate is based on adverse facts available, because the company did not participate in the investigation.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	Union Steel Manufacturing Co. Ltd./Dongkuk Steel Mill Co., Ltd.	0.69% (<i>de minimis</i>)
	Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	1.37%
	All Others	1.37%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Taiwan	Prosperity Tieh Enterprise Co., Ltd. (PT); Hong-Ye Steel Co., Ltd. (HY); Prosperity Did Enterprise Co., Ltd. (PD); and Chan Lin Enterprise Co., Ltd. (CL) (collectively Prosperity Companies)	0.00% (<i>de minimis</i>)
	Yieh Phui Enterprise Co., Ltd. (Yieh Phui); Yieh Corporation Limited (YCL); Shin Yang Steel Co., Ltd. (Shin Yang); and Synn Industrial Co., Ltd (Synn) (collectively Yieh Phui Companies)	0.00% (<i>de minimis</i>)
	All Others	0.00% (<i>de minimis</i>)

CASE CALENDAR:

EVENT	DATE
Petitions Filed	June 3, 2015
DOC Initiation Date	June 23, 2015
ITC Preliminary Determination	July 24, 2015
DOC Preliminary Determination	November 2, 2015
DOC Final Determination	January 18, 2016[†]
ITC Final Determination*	March 5, 2016
Issuance of Order**	March 12, 2016

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.

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

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

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

IMPORT STATISTICS:

CHINA	2012	2013	2014
Volume (metric tons)	332,300	302,400	861,200
Value (USD)	310,125,000	257,996,000	684,960,000
INDIA	2012	2013	2014
Volume (metric tons)	249,800	294,400	466,100
Value (USD)	224,282,000	239,811,000	379,505,000
ITALY	2012	2013	2014
Volume (metric tons)	88,000	45,100	121,900
Value (USD)	80,603,000	39,747,000	99,068,000
KOREA	2012	2013	2014
Volume (metric tons)	275,900	353,700	444,100
Value (USD)	276,376,000	325,421,000	416,691,000
TAIWAN	2012	2013	2014
Volume (metric tons)	408,500	362,900	608,900
Value (USD)	429,578,000	353,033,000	577,520,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. HTSUS 7210.30.0030, 7210.30.0060, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.90.6000, 7210.90.9000, 7210.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000. The above HTSUS subheadings may cover both subject and non-subject merchandise. Imports of corrosion-resistant steel products may also enter under 7210.90.10000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 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.