



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan

- On June 24, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of corrosion-resistant steel products from China, India, Italy, Korea, and Taiwan.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted 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.
- 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

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before July 20, 2015.
- If the ITC determines that there is a reasonable indication that imports of corrosion-resistant steel products from China, India, Italy, Korea, and/or Taiwan materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determinations in August 2015 and its preliminary AD determinations in November 2015, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY/ECONOMY	DUMPING MARGINS
China	114.06 to 126.34 percent
India	71.09 percent
Italy	119.68 to 126.75 percent
Korea	46.80 to 86.34 percent
Taiwan	86.17 percent

ESTIMATED SUBSIDY RATES:

COUNTRY	SUBSIDY RATES
China	<i>Above de minimis*</i>
India	<i>Above de minimis*</i>
Italy	<i>Above de minimis*</i>
Korea	<i>Above de minimis*</i>
Taiwan	<i>Above de minimis*</i>

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

CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATIONS
Petitions Filed	June 3, 2015	June 3, 2015
DOC Initiation Date	June 23, 2015	June 23, 2015
ITC Preliminary Determinations*	July 20, 2015†	July 20, 2015†
DOC Preliminary Determinations	November 10, 2015	August 27, 2015
DOC Final Determinations	January 25, 2016†	November 10, 2015
ITC Final Determinations**	March 9, 2016	December 28, 2015†
Issuance of Orders***	March 16, 2016	January 4, 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 (the Act). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

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

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