



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Certain Hot-Rolled Steel Flat Products from Brazil, Korea, and Turkey and Antidumping Duty Investigations of Imports of Certain Hot-Rolled Steel Flat Products from Australia, Japan, the Netherlands, and the United Kingdom

- On September 1, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain hot-rolled steel flat products from Brazil, the Republic of Korea (Korea), and the Republic of Turkey (Turkey) and antidumping duty investigations of imports of the same merchandise from Australia, Japan, the Netherlands, and the United Kingdom.
- 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 AK Steel Corporation (OH), ArcelorMittal USA LLC (IL), Nucor Corporation (NC), SSAB Enterprises, LLC (IL), Steel Dynamics, Inc. (IN), and United States Steel Corporation (PA).
- The products covered by these investigations are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and 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 thickness, and 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 of 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 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 unless the resulting measurement makes the product covered by the

existing anti-dumping¹ or countervailing duty² orders on Certain Cut-To-Length Carbon Quality Steel Plate Products From the Republic of Korea (A-580-836; C-580-837), 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, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, 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, the substrate for 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. The substrate for motor lamination steels contains 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.

¹ *Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan and the Republic of Korea*, 65 FR 6585 (February 10, 2000).

² *Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000).

Subject merchandise includes hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the hot-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:

- Universal mill plates (*i.e.*, hot-rolled, flat-rolled products not in coils that have been rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, of a thickness not less than 4.0 mm, and without patterns in relief);
- Products that have been cold-rolled (cold-reduced) after hot rolling;³
- Ball bearing steels;⁴
- Tool steels;⁵ and
- Silico-manganese steels;⁶

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.90.00, 7211.90.00.00,

³ For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

⁴ 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 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.

⁵ 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.

⁶ 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.

7212.40.10.00, 7212.40.50.00, and 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00.

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 2014, imports of certain hot-rolled steel flat products from Australia, Brazil, Japan, Korea, the Netherlands, the United Kingdom, and Turkey were valued at an estimated \$143.8 million, \$146.3 million, \$359 million, \$678.8 million, \$315.2 million, \$169.1 million, and \$218.4 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before September 25, 2015.
- If the ITC determines that there is a reasonable indication that imports of certain hot-rolled steel flat products from Australia, Brazil, Japan, Korea, the Netherlands, the United Kingdom, and/or Turkey 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 November 2015 and its preliminary AD determinations in January 2016, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

| COUNTRY | DUMPING MARGINS |
|-----------------------|--------------------------------|
| Australia | 99.20 percent |
| Brazil | 34.28 percent |
| Japan | 16.15 to 34.53 percent |
| Korea | 86.96 to 158.93 percent |
| Netherlands | 55.21 to 173.17 percent |
| Turkey | 96.77 to 197.41 percent |
| United Kingdom | 50.63 to 161.75 percent |

ESTIMATED SUBSIDY RATES:

| COUNTRY | SUBSIDY RATES |
|----------------|--------------------------|
| Brazil | <i>Above de minimis*</i> |
| Korea | <i>Above de minimis*</i> |
| Turkey | <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 | August 11, 2015 | August 11, 2015 |
| DOC Initiation Date | August 31, 2015 | August 31, 2015 |
| ITC Preliminary Determinations* | September 25, 2015 | September 25, 2015 |
| DOC Preliminary Determinations | January 19, 2016[†] | November 4, 2015 |
| DOC Final Determinations | April 4, 2016[†] | January 19, 2016[†] |
| ITC Final Determinations** | May 17, 2016 | March 3, 2016 |
| Issuance of Orders*** | May 24, 2016 | March 10, 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:

| AUSTRALIA | 2012 | 2013 | 2014 |
|-----------------------|-------------|-------------|-------------|
| Volume (metric tons) | 176,100 | 132,800 | 245,300 |
| Value (USD) | 103,341,000 | 73,214,000 | 143,796,000 |
| BRAZIL | 2012 | 2013 | 2014 |
| Volume (metric tons) | 9,100 | 45,700 | 240,000 |
| Value (USD) | 6,141,000 | 26,310,000 | 146,284,000 |
| JAPAN | 2012 | 2013 | 2014 |
| Volume (metric tons) | 281,600 | 398,000 | 466,600 |
| Value (USD) | 285,830,000 | 333,079,000 | 358,966,000 |
| KOREA | 2012 | 2013 | 2014 |
| Volume (metric tons) | 879,100 | 713,800 | 1,071,000 |
| Value (USD) | 650,673,000 | 467,208,000 | 678,792,000 |
| NETHERLANDS | 2012 | 2013 | 2014 |
| Volume (metric tons) | 352,100 | 368,200 | 468,300 |
| Value (USD) | 248,557,000 | 236,294,000 | 315,208,000 |
| TURKEY | 2012 | 2013 | 2014 |
| Volume (metric tons) | 13,600 | 43,400 | 366,400 |
| Value (USD) | 9,523,000 | 25,015,000 | 218,391,000 |
| UNITED KINGDOM | 2012 | 2013 | 2014 |
| Volume (metric tons) | 41,600 | 78,200 | 181,000 |
| Value (USD) | 63,044,000 | 92,307,000 | 169,083,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, and 7226.91.80.00) The above HTSUS subheadings may cover both subject and non-subject merchandise. Imports of hot-rolled steel flat products may also enter under 7210.90.90.00, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.