



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of 53-Foot Domestic Dry Containers from the People's Republic of China

- On May 14, 2014, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of 53-foot domestic dry containers from People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally approved 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 petitioner for these investigations is Stoughton Trailers, LLC (WI).
- The merchandise subject to investigation is closed (*i.e.*, not open top) van containers exceeding 14.63 meters (48 feet) but generally measuring 16.154 meters (53 feet) in exterior length, which are designed for the intermodal transport¹ of goods other than bulk liquids within North America primarily by rail or by road vehicle, or by a combination of rail and road vehicle (domestic containers). The merchandise is known in the industry by varying terms including "53-foot containers," "53-foot dry containers," "53-foot domestic dry containers," "domestic dry containers" and "domestic containers." These terms all describe the same article with the same design and performance characteristics. Notwithstanding the particular terminology used to describe the merchandise, all merchandise that meets the definition set forth herein is included within the scope of these investigations.

Domestic containers generally meet the characteristic for closed van containers for domestic intermodal service as described in the American Association of Railroads (AAR) Manual of Standards and Recommended Practices Intermodal Equipment Manual Closed Van Containers for Domestic Intermodal Service Specification M 930 Adopted: 1972; Last Revised 2013 (AAR Specifications) for 53-foot and 53-foot high cube containers. The AAR Specifications generally define design, performance and testing requirements for closed van containers, but are not dispositive for purposes of defining subject merchandise within this scope definition. Containers which may not fall precisely within the AAR Specifications or any successor equivalent specifications are included within the scope definition of the subject merchandise if they have the exterior dimensions referenced below, are

¹ "Intermodal transport" refers to a movement of freight using more than one mode of transportation, most commonly on a container chassis for on-the-road transportation and on a rail car for rail transportation.

suitable for use in intermodal transportation, are capable of and suitable for double-stacking² in intermodal transportation, and otherwise meet the scope definition for the subject merchandise.

Domestic containers have the following actual exterior dimensions: an exterior length exceeding 14.63 meters (48 feet) but not exceeding 16.154 meters (53 feet); an exterior width of between 2.438 meters and 2.60 meters (between 8 feet and 8 feet 6 3/8 inches); and an exterior height of between 2.438 meters and 2.908 meters (between 8 feet and 9 feet 6 1/2 inches), all subject to tolerances as allowed by the AAR Specifications. In addition to two frames (one at either end of the container), the domestic containers within the scope definition have two stacking frames located equidistant from each end of the container, as required by the AAR Specifications. The stacking frames have four upper handling fittings and four bottom dual aperture handling fittings, placed at the respective corners of the stacking frames. Domestic containers also have two forward facing fittings at the front lower corners and two downward facing fittings at the rear lower corners of the container to facilitate chassis interface.

All domestic containers as described herein are included within this scope definition, regardless of whether the merchandise enters the United States in a final, assembled condition, or as an unassembled kit or substantially complete domestic container which requires additional manipulation or processing after entry into the United States to be made ready for use as a domestic container.

The scope of these investigations excludes the following items: 1) refrigerated containers; 2) trailers, where the cargo box and rear wheeled chassis are of integrated construction, and the cargo box of the unit may not be separated from the chassis for further intermodal transport; 3) container chassis, whether or not imported with domestic containers, but the domestic containers remain subject merchandise, to the extent they meet the written description of the scope.

Imports of the subject merchandise are provided for under subheading 8609.00.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Imports of the subject merchandise which meet the definition of and requirements for “instruments of international traffic” pursuant to 19 U.S.C. §1322 and 19 C.F.R. §10.41a may be classified under subheading 9803.00.50, HTSUS. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise as set forth herein is dispositive.

- In 2013, imports of 53-foot domestic dry containers from China were valued at an estimated \$184.2 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before June 9, 2014.

² “Double-stacking” refers to two levels of intermodal containers on a rail car, one on top of the other.

- If the ITC preliminarily determines that there is a reasonable indication that imports of 53-foot domestic dry containers from China materially retard the establishment of the domestic industry or materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to announce its preliminary CVD determination in July 2014 and its preliminary AD determination in October 2014, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

Alleged Dumping Margin:

COUNTRY	DUMPING MARGIN
China	84.07 percent

Estimated Subsidy Rate:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

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

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	April 23, 2014	April 23, 2014
DOC Initiation Date	May 13, 2014	May 13, 2014
ITC Preliminary Determinations*	June 9, 2014†	June 9, 2014†
DOC Preliminary Determinations	September 30, 2014	July 17, 2014
DOC Final Determinations	December 15, 2014†^	September 30, 2014^
ITC Final Determinations**	January 28, 2015	November 14, 2014
Issuance of Orders***	February 4, 2015	November 21, 2014

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.

^ These dates are estimated as they are dependent upon the publication date of Commerce's preliminary determinations.

IMPORT STATISTICS:

CHINA	2011	2012	2013
Value (USD)	390,617,000	247,081,000	184,165,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 8609.00.0000). This HTSUS subheading may cover both subject and non-subject merchandise. Volume is not reported in official import statistics for imports entered under HTSUS subheading 8609.00.0000. Imports of subject merchandise may also enter under HTSUS subheading 9803.00.50; however, the volume and value of imports entered under HTSUS subheading 9803.00.50 are not reported in official import statistics. Therefore, the above import statistics only reflect the value of imports entered under HTSUS 8609.00.0000.