



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China

- On February 21, 2014, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of carbon and certain alloy steel wire rod from the 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 petitioners for these investigations are ArcelorMittal USA LLC (IL), Charter Steel (WI), Evraz Pueblo (formerly Evraz Rocky Mountain Steel) (CO), Gerdau Ameristeel US Inc. (FL), Keystone Consolidated Industries, Inc. (TX), and Nucor Corporation (NC).
- The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.
- The products under investigation are currently classifiable under HTSUS subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these proceedings is dispositive.
- In 2013, imports of carbon and certain alloy steel wire rod from China were valued at an estimated \$313 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before March 17, 2014.
- If the ITC determines that there is a reasonable indication that imports of carbon and certain alloy steel wire rod from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in April 2014 and its preliminary AD determination in July 2014, 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
China	99.32 – 110.25 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	January 31, 2014	January 31, 2014
DOC Initiation Date	February 20, 2014	February 20, 2014
ITC Preliminary Determinations*	March 17, 2014	March 17, 2014
DOC Preliminary Determinations	July 10, 2014	April 28, 2014†
DOC Final Determinations	September 23, 2014	July 10, 2014
ITC Final Determinations**	November 7, 2014	August 25, 2014†
Issuance of Orders***	November 14, 2014	September 2, 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.

IMPORT STATISTICS:

CHINA	2011	2012	2013
Volume (metric tons)	130	219,500	561,400
Value (USD)	143,000	137,614,000	313,019,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, and 7227.90.6085). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.

Steel wire rod may also enter under HTSUS 7213.99.0090 and 7227.90.6090, which may cover significant amounts of non-subject merchandise. Therefore, these HTSUS subheadings have not been used for purposes of reporting import statistics.

Note: In 2014, HTSUS subheading 7227.90.6085 was replaced with four new subheadings, two of which cover subject merchandise (7227.90.6030 and 7227.90.6035) and are included in the scope of these investigations.