



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of 100- to 150-Seat Large Civil Aircraft from Canada

- On September 26, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of 100- to 150-seat large civil aircraft (aircraft) from Canada.
- The CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, 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 CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Using the Governments of Canada, Quebec and the United Kingdom and Bombardier's reported information, Commerce calculated a preliminary subsidy rate of 219.63 percent for Bombardier, Inc. (Bombardier), which will apply to all other producers/exporters as well.
- If and when Bombardier exports these planes to the United States, CBP will require cash deposits in amounts equal to the preliminary subsidy rate. CBP will be instructed to impose provisional measures on the date of publication of the preliminary determination in the Federal Register notice.
- The petitioner is The Boeing Company (IL).
- The scope of this investigation covers aircraft, regardless of seating configuration, that have a standard 100- to 150-seat two-class seating capacity and a minimum 2,900 nautical mile range, as these terms are defined below.
- "Standard 100- to 150-seat two-class seating capacity" refers to the capacity to accommodate 100 to 150 passengers, when eight passenger seats are configured for a 36-inch pitch, and the remaining passenger seats are configured for a 32-inch pitch. "Pitch" is the distance between a point on one seat and the same point on the seat in front of it.
- "Standard 100- to 150-seat two-class seating capacity" does not delineate the number of seats actually in a subject aircraft or the actual seating configuration of a subject aircraft. Thus, the number of seats actually in a subject aircraft may be below 100 or exceed 150.
- A "minimum 2,900 nautical mile range" means:

- able to transport between 100 and 150 passengers and their luggage on routes equal to or longer than 2,900 nautical miles; or
 - covered by a U.S. Federal Aviation Administration (FAA) type certificate or supplemental type certificate that also covers other aircraft with a minimum 2,900 nautical mile range.
- The scope includes all aircraft covered by the description above, regardless of whether they enter the United States fully or partially assembled, and regardless of whether, at the time of entry into the United States, they are approved for use by the FAA.
 - The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheading 8802.40.0040. The merchandise may alternatively be classifiable under HTSUS subheading 8802.40.0090. Although these HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.
 - Although Canadian aircraft subject to this investigation have not yet been imported, an April 2016 press release announcing the sale of Canadian aircraft to a U.S. airline valued the order to be in excess of \$5 billion.

NEXT STEPS

- The petitioner requested that the final determination of this CVD investigation be aligned with the final determination of the concurrent antidumping duty investigation. Accordingly, Commerce is scheduled to announce its final determination on or about December 19, 2017.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final that imports of aircraft from Canada threaten material injury to the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determinations are negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY		SUBSIDY RATES
Canada	Bombardier, Inc.	219.63%
	All Others	219.63%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	April 27, 2017
DOC Initiation Date	May 17, 2017
ITC Preliminary Determination	June 12, 2017†
DOC Preliminary Determination	September 25, 2017
DOC Final Determination	December 18, 2017
ITC Final Determination*	February 1, 2018
Issuance of Order**	February 8, 2018

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.

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

**This will take place only in the event of a final affirmative determination from Commerce and the ITC.