



FACT SHEET

Commerce Preliminary Finds Countervailable Subsidization of Imports of Carbon and Alloy Steel Wire Rod from Italy and Turkey

- On August 28, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of carbon and alloy steel wire rod from Italy and Turkey.
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by 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.
- In the Italy CVD investigation, Commerce has calculated preliminary subsidy rates of 1.70 percent for Ferriere Nord S.p.A. and 44.18 percent for Ferriera Valsider S.p.A. The rate calculated for Ferriera Valsider S.p.A was based on adverse facts available due to its failure to fully cooperate in the investigation. Commerce has determined a rate of 1.70 percent for all other Italian producers and exporters.
- In the Turkey CVD investigation, Commerce has calculated preliminary subsidy rates of 2.27 percent for Habas Sinai Ve Tibbi Gazlar Istih and *de minimis* for Icdas Celik Eberji Tersane Ve Ulasim San. Commerce determined a rate of 2.27 percent for all other Turkish producers and exports.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates. Since Commerce also found that critical circumstances exist in Turkey investigation with respect to all-other exporters, Commerce will instruct CBP to impose the required cash deposit rates retroactively on all entries of carbon and alloy steel wire rod from all-other exporters in Turkey effective 90 days prior to publication of the preliminary determination in the Federal Register.
- The petitioners are Gerdau Ameristeel US Inc. (FL), Nucor Corporation (NC), Keystone Consolidated Industries (TX), and Charter Steel (WI).
- The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round 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 phosphorous, 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 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 Harmonized Tariff Schedule of the United States (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. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.
- In 2016, imports of carbon and alloy steel wire rod from Italy and Turkey were valued at an estimated \$12.2 million and \$41.4 million, respectively.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about November 9, 2017, unless the statutory deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of carbon and alloy steel wire rod from Italy and/or Turkey materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce’s or the ITC’s final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations approximately 45 days after Commerce issues its final determinations, if affirmative.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Italy	Ferriere Nord S.p.A.	1.70 percent
	Ferriera Valsider S.p.A.	44.18 percent
	All-Others	1.70 percent

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Turkey	Habas Sinai Ve Tibbi Gazlar Istih	2.27 percent
	Icdas Celik Eberji Tersane Ve Ulasim San	<i>de minimis</i>
	All-Others	2.27 percent

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

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS
Petitions Filed	March 28, 2017
DOC Initiation Date	April 17, 2017
ITC Preliminary Determinations	May 12, 2017
DOC Preliminary Determinations	August 25, 2017
DOC Final Determinations	November 8, 2017†
ITC Final Determinations*	December 26, 2017†
Issuance of Orders**	January 2, 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). 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 final affirmative determinations from Commerce.

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

IMPORT STATISTICS:

ITALY	2014	2015	2016
Volume (metric tons)	314	223	30,085
Value (USD)	481,267	256,802	12,197,582
TURKEY	2014	2015	2016
Volume (metric tons)	190,596	235,127	89,355
Value (USD)	116,601,073	118,914,522	41,437,292

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, 7227.90.6030, and 7227.90.6035.)