



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Certain Cold-Rolled Steel Flat Products from Brazil, India, Korea, and Russia and Dumping of Imports of Certain Cold-Rolled Steel Flat Products from the United Kingdom

- On July 21, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain cold-rolled steel flat products (cold-rolled steel) from Brazil, India, Korea, and Russia, and the AD investigation of imports of cold-rolled steel from the United Kingdom.
- The AD and 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 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, 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 Brazil AD investigation, Commerce found that dumping has occurred by mandatory respondent Companhia Siderurgica Nacional at a dumping margin of 14.43 percent. The second mandatory respondent, Usiminas Siderurgicas de Minas Gerais (Usiminas), did not respond to all of Commerce's requests for information, and therefore Commerce calculated a final dumping margin based on adverse facts available of 35.43 percent. Commerce calculated a final dumping margin of 14.43 percent for all other producers/exporters in Brazil.
- In the India AD investigation, Commerce found that dumping has occurred by mandatory respondent JSW Steel Limited/JSW Coated Products Limited at a dumping margin of 7.60 percent. Commerce calculated a final dumping margin of 7.60 percent for all other producers/exporters in India.
- In the Korea AD investigation, Commerce found that dumping has occurred by mandatory respondents POSCO/Daewoo International Corporation and Hyundai Steel Corporation at dumping margins of 6.32 percent and 34.33 percent, respectively. Commerce calculated a final dumping margin of 20.33 percent for all other producers/exporters in Korea.
- In the Russia AD investigation, Commerce found that dumping has occurred by mandatory respondents Joint Stock Company Severstal and Novolipetsk Steel OJSC at dumping margins of 13.36 percent and 1.04 percent (*de minimis*), respectively. Commerce calculated a final dumping margin of 13.36 percent for all other producers/exporters in Russia.
- In the United Kingdom AD investigation, Commerce found that dumping has occurred by mandatory respondents Caparo Precision Strip, Ltd./ Liberty Performance Steels Ltd. (Commerce determined that Liberty Performance Steels Ltd. is the "successor-in-interest" to Caparo Precision Strip, Ltd.)

and Tata Steel UK Ltd. at dumping margins of 5.40 percent and 25.56 percent, respectively. Commerce calculated a final dumping margin of 22.92 percent for all other producers/exporters in United Kingdom.

- In the Brazil CVD investigation, Commerce calculated a final subsidy rate of 11.31 percent for Companhia Siderurgica Nacional and a final subsidy rate of 11.09 percent for Usiminas. Commerce calculated a final subsidy rate of 11.20 percent for all other producers/exporters in Brazil.
- In the India CVD investigation, Commerce calculated a final subsidy rate of 10.00 percent for mandatory respondent JSW Steel Limited and its cross-owned affiliate JSW Coated Products Limited. Commerce calculated a final subsidy rate of 10.00 percent for all other producers/exporters in India.
- In the Korea CVD investigation, Commerce calculated a final subsidy rate of 3.91 percent for mandatory respondent Hyundai Steel Co., Ltd. The second mandatory respondent, POSCO, was unable to confirm certain key elements of its response when the Commerce team conducted verification at its headquarters in Korea. Therefore, Commerce calculated a subsidy rate based on adverse facts available of 58.36 percent. Commerce calculated a final subsidy rate of 3.91 percent for all other producers/exporters in Korea.
- In the Russia CVD investigation, Commerce calculated a final subsidy rate of 6.95 percent for mandatory respondents Novolipetsk Steel OJSC (NLMK), Novex Trading, Altai-Koks OJSC, Dolomite OJSC, Stoilensky OJSC, Studenovskaya (Stagdok) OJSC, Trading House LLC, Vtorchermet NLMK LLC, Vtorchermet OJSC, and Vtorchermet NLMK Center LLC (collectively, the NLMK Companies). Additionally, Commerce calculated a *de minimis* final subsidy rate of 0.62 percent for PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet (collectively, the Severstal Companies). Commerce also calculated a final subsidy rate of 6.95 percent for all other producers/exporters in Russia.
- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins, except where these rates are zero or *de minimis*. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and will require cash deposits for CVD duties equal to the final subsidy rates established during the investigation. Commerce will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all previously collected cash deposits will be refunded.
- Commerce found that critical circumstances exist with respect all other producers/exporters from Russia in the preliminary determination of the AD investigation, and continues to do so in the final determination. Where critical circumstances were found, CBP will be instructed to impose provisional measures retroactively on entries of cold-rolled steel effective 90 days prior to publication of the preliminary determinations in the *Federal Register*.

- The petitioners for these investigations are AK Steel Corporation (OH), ArcelorMittal USA LLC (IL), Nucor Corporation (Charlotte, NC), Steel Dynamics, Inc. (IN), and United States Steel Corporation (PA).
- The products covered by these investigations are certain cold-rolled (cold-reduced), flat-rolled steel products, 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 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 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 covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice 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, 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 (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), 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, 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. Motor lamination steels contain 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.

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

- Ball bearing steels;¹
- Tool steels;²
- Silico-manganese steel;³
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel From Germany, Japan, and Poland*.⁴

¹ 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.

² 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.

³ 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.

⁴ *Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 42,501, 42,503 (Dep't of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as "a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum,

- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.⁵

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

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 cold-rolled steel from Brazil, India, Korea, Russia, and the United Kingdom were valued at an estimated \$65 million, \$57 million, \$206 million, \$54 million, and \$132 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations in the investigations of cold-rolled steel from Brazil, India, Russia, Korea, and the United Kingdom on September 3, 2016.
- If the ITC makes affirmative final determinations that imports of cold-rolled steel from Brazil, India, Russia, Korea, and/or the United Kingdom materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths.”

⁵ *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 Fed. Reg. 71,741, 71,741-42 (Dep’t of Commerce, Dec. 3, 2014). The orders define NOES as “cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term ‘substantially equal’ means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
Brazil	Companhia Siderurgica Nacional	14.43%	10.34%
	Usiminas Siderugicas de Minas Gerais	35.43%	31.66%
	All Others	14.43%	10.34%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
India	JSW Steel Limited/JSW Coated Products Limited	7.60%	6.70%
	All Others	7.60%	6.70%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
Korea	POSCO/Daewoo International Corporation	6.32%	0.00%
	Hyundai Steel Corporation	34.33%	34.33%
	All Others	20.33%	20.33%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Russia	Joint Stock Company Severstal	13.36%
	Novolipetsk Steel OJSC	1.04% (<i>de minimis</i>)
	All Others	13.36%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
United Kingdom	Caparo Precision Strip, Ltd./Liberty Performance Steels Ltd.⁶	5.40%
	Tata Steel UK Ltd.	25.56%
	All Others	22.92%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Brazil	Companhia Siderurgica Nacional	11.31%
	Usinas Siderurgicas de Minas Gerais	11.09%
	All Others	11.20%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
India	JSW Steel Limited (“JSWSL”) and JSW Coated Products Limited	10.00%
	All Others	10.00%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Korea	Hyundai Steel Co., Ltd.	3.91%
	POSCO	58.36%
	All Others	3.91%

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

⁶ We determined that Liberty Performance Steels Ltd. is the successor-in-interest to Caparo Precision Strip, Ltd.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Russia	Novolipetsk Steel OJSC (NLMK), Novex Trading, Altai-Koks OJSC, Dolomite OJSC, Stoilensky OJSC, Studenovskaya (Stagdok) OJSC, Trading House LLC, Vtorchermet NLMK LLC, Vtorchermet OJSC, and Vtorchermet NLMK Center LLC (collectively, the NLMK Companies)	6.95%
	PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet (collectively, the Severstal Companies)	0.62% (<i>de minimis</i>)
	All Others	6.95%

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

CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petition Filed	July 28, 2015	July 28, 2015
DOC Initiation Date	August 17, 2015	August 17, 2015
ITC Preliminary Determinations	September 11, 2015	September 11, 2015
DOC Preliminary Determinations	December 15, 2015	February 29, 2016
DOC Final Determinations	July 20, 2016	July 20, 2016
ITC Final Determinations	September 3, 2016	September 3, 2016
Issuance of Orders**	September 10, 2016	September 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 deadline is set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

BRAZIL	2012	2013	2014
Volume (metric tons)	88,600	29,900	89,600
Value (USD)	62,785,000	19,742,000	65,192,000
INDIA	2012	2013	2014
Volume (metric tons)	6,900	15,900	77,700
Value (USD)	8,682,000	13,915,000	56,888,000
KOREA	2012	2013	2014
Volume (metric tons)	156,800	168,100	234,200
Value (USD)	149,147,000	145,903,000	206,349,000
RUSSIA	2012	2013	2014
Volume (metric tons)	0	200	81,100
Value (USD)	0	111,400	54,573,000
UNITED KINGDOM	2012	2013	2014
Volume (metric tons)	38,600	48,200	111,200
Value (USD)	63,682,000	77,540,000	131,963,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050.

The above HTSUS subheadings may cover both subject and non-subject merchandise.

Imports of cold-rolled steel flat products may also enter under 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.