



FACT SHEET

Commerce Issues Affirmative Preliminary Determinations in the Countervailing Duty Investigations of Imports of Fabricated Structural Steel from China and Mexico and Negative Preliminary Determination of Imports of Fabricated Structural Steel from Canada

- On July 8, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of fabricated structural steel (FSS) from China and Mexico and a negative preliminary determination in the CVD investigation of imports of FSS from Canada.
- 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 a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by 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 Canada investigation, Commerce assigned a preliminary subsidy rate of 0.12 percent (*de minimis*) and 0.45 percent (*de minimis*) to mandatory respondents Les Constructions Beauce-Atlas Inc. and Les Industries Canatal Inc., respectively.
- In the China investigation, Commerce assigned a preliminary subsidy rates of 30.30 percent and 36.07 percent to mandatory respondents Modern Heavy Industries (Taicang) Co., Ltd. and Shanghai Matsuo Steel Structure Co., Ltd., respectively. Commerce also assigned a subsidy rate of 177.43 percent to the following non-responsive companies: Hongju Metals Co., Ltd., Huaye Steel Structure Co., Jiangsu Kingmore Storage Equipment, Jiangsu Zhengchang Cereal Oil & Feed, Ningbo Jiangbei Huarentai Trade, Ningbo Win Success Machinery Co., Ltd., Shangdong Taipeng Home Products Co., Sinopec Engineering (Group) Co., Ltd., Sunjoy Industrial Group Limited, Sunjoy Industries (Jiashan) Co., Ltd., Wuxi Huishan Metalwork Technology Co., Ltd., and Yueqing Yihua New Energy Technology. The preliminary subsidy rate for all other Chinese producers and exporters is 32.64 percent.
- In the Mexico investigation, Commerce assigned a preliminary subsidy rate of 0.01 percent (*de minimis*) and 13.62 percent to mandatory respondents Building Systems de Mexico, S.A. de C.V. and Corey S.A. de C.V., respectively. Commerce also assigned a subsidy rate of 74.01 percent to the following non-responsive companies: Acero Tecnologia, S.A. de C.V., Construcciones Industriales Tapia S.A. de C.V., Estructuras Metalicas la Popular S.A. de C.V./MSCI, Operadora CICSA, S. A. de C. V. Swecomex – Guadalajara, and Preacero Pellizzari Mexico S.A. de C.V. The preliminary subsidy rate for all other Mexican producers and exporters is 13.62 percent.

- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of FSS from China and Mexico based on these preliminary rates. At this time, cash deposits will not be collected on imports of FSS from Canada.
- The petitioner is the American Institute of Steel Construction Full Member Subgroup (Chicago, IL).
- The merchandise covered by this investigation is carbon and alloy fabricated structural steel. Fabricated structural steel is made from steel in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is two percent or less by weight. Fabricated structural steel products are steel products that have been fabricated for erection or assembly into structures, including, but not limited to, buildings (commercial, office, institutional, and multi-family residential); industrial and utility projects; parking decks; arenas and convention centers; medical facilities; and ports, transportation and infrastructure facilities. Fabricated structural steel is manufactured from carbon and alloy (including stainless) steel products such as angles, columns, beams, girders, plates, flange shapes (including manufactured structural shapes utilizing welded plates as a substitute for rolled wide flange sections), channels, hollow structural section (HSS) shapes, base plates, and plate-work components. Fabrication includes, but is not limited to cutting, drilling, welding, joining, bolting, bending, punching, pressure fitting, molding, grooving, adhesion, beveling, and riveting and may include items such as fasteners, nuts, bolts, rivets, screws, hinges, or joints.

The inclusion, attachment, joining, or assembly of non-steel components with fabricated structural steel does not remove the fabricated structural steel from the scope.

Fabricated structural steel is covered by the scope of the investigation regardless of whether it is painted, varnished, or coated with plastics or other metallic or non-metallic substances and regardless of whether it is assembled or partially assembled, such as into modules, modularized construction units, or sub-assemblies of fabricated structural steel.

Subject merchandise includes fabricated structural steel that has been assembled or further processed in the subject country or a third country, including but not limited to painting, varnishing, trimming, cutting, drilling, welding, joining, bolting, punching, bending, beveling, riveting, galvanizing, coating, and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the fabricated structural steel.

All products that meet the written physical description of the merchandise covered by the investigation are within the scope of the investigation unless specifically excluded or covered by the scope of an existing countervailing duty order.

Specifically excluded from the scope of the investigation are:

1. Fabricated steel concrete reinforcing bar (rebar) if: (i) it is a unitary piece of fabricated rebar, not joined, welded, or otherwise connected with any other steel product or part; or (ii) it is joined, welded, or otherwise connected only to other rebar.
2. Fabricated structural steel for bridges and bridge sections that meets American

Association of State and Highway and Transportation Officials (AASHTO) bridge construction requirements or any state or local derivatives of the AASHTO bridge construction requirements.

3. Pre-engineered metal building systems, which are defined as complete metal buildings that integrate steel framing, roofing and walls to form one, pre-engineered building system, that meet Metal Building Manufacturers Association guide specifications. Pre-engineered metal building systems are typically limited in height to no more than 60 feet or two stories.

4. Steel roof and floor decking systems that meet Steel Deck Institute standards.

5. Open web steel bar joists and joist girders that meet Steel Joist Institute specifications.

6. Also excluded from the scope of the investigation is scaffolding that complies with ANSI/ASSE A10.8 - 2011- Scaffolding Safety Requirements, and/or Occupational Safety and Health Administration regulations at 29 C.F.R. Part 1926 subpart L - Scaffolds. The outside diameter of the scaffold tubing covered by this exclusion ranges from 25mm to 80mm.

7. Excluded from the scope of the investigation are access flooring systems panels and accessories, where such panels have a total thickness ranging from 0.75 inches to 1.75 inches and consist of concrete, wood, other non-steel materials, or hollow space permanently attached to a top and bottom layer of galvanized or painted steel sheet or formed coil steel, the whole of which has been formed into a square or rectangle having a measurement of 24 inches on each side +/- 0.1 inch; 24 inches by 30 inches +/- 0.1 inch or 24 by 36 inches +/- inch.

8. Excluded from the investigation are the following types of steel poles, segments of steel poles, and steel components of those poles:

- Steel Electric Transmission Poles, or segments of such poles, that meet (1) the American Society of Civil Engineers (ASCE) – Design of Steel Transmission Pole Structures, ASCE/SEI 48 or (2) the USDA RUS bulletin 1724E-214 Guide specification for standard class Steel Transmission Poles. The exclusion for steel electric transmission poles also encompasses the following components thereof: transmission arms which attach to poles; pole bases; angles that do not exceed 8” x 8” x 0.75”; steel vangs, steel brackets, steel flanges, and steel caps; safety climbing cables; ladders; and steel templates.
- Steel Electric Substation Poles, or segments of such poles, that meet the American Society of Civil Engineers (ASCE) - Manuals and Reports on Engineering Practice No. 113. The exclusion for steel electric substation poles also encompasses the following components thereof: substation dead end poles; substation bus stands; substation mast poles, arms, and cross-arms; steel brackets, steel flanges, and steel caps; pole bases; safety climbing cables; ladders; and steel templates.
- Steel Electric Distribution Poles, or segments of such poles, that meet (1) American Society of Civil Engineers (ASCE) – Design of Steel Transmission Pole Structures, ASCE/SEI 48, (2) USDA RUS bulletin 1724E-204 Guide specification for steel single pole

and H-frame structures, or (3) ANSI 05.1 height and class requirements for steel poles. The exclusion for steel electric distribution poles also encompasses the following components thereof: distribution arms and cross-arms; pole bases; angles that do not exceed 8" x 8" x 0.75"; steel vangs, steel brackets, steel flanges, and steel caps; safety climbing cables; ladders; and steel templates.

- Steel Traffic Signal Poles, Steel Roadway Lighting Poles, Steel Parking Lot Lighting Poles, and Steel Sports Lighting Poles, or segments of such poles, that meet (1) the American Association of State Highway and Transportation Officials (AASHTO) – Specifications for Structural Supports for Highway Signs, Luminaires, and Traffic Signals, (2) any state or local derivatives of the AASHTO highway sign, luminaries, and traffic signals requirements, or (3) American National Standard Institute (ANSI) C136 - American National Standard for Roadway and Area Lighting Equipment standards. The exclusion for steel traffic signal poles, steel roadway lighting poles, steel parking lot lighting poles, and steel sports lighting poles also encompasses the following components thereof: luminaire arms; hand hole rims; hand hole covers; base plates that connect to either the shaft or the arms; mast arm clamps ; mast arm tie rods; transformer base boxes; formed full base covers that hide anchor bolts; step lugs; internal cable guides; lighting cross arms; lighting service platforms; angles that do not exceed 8" x 8" x 0.75"; stainless steel hand hole door hinges and wind restraints; steel brackets, steel flanges, and steel caps; safety climbing cables; ladders; and steel templates.

- Communication Poles, or segments of such poles, that meet (1) Telecommunications Industry Association (TIA) ANSI/TIA-222 Structural Standards for Steel Antenna Towers and Antenna Supporting Structures, or (2) American Association of State Highway and Transportation Officials (AASHTO) – Specifications for Structural Supports for Highway Signs, Luminaires, and Traffic Signals. The exclusion for communication poles also encompasses the following components thereof: luminaire arms; hand hole rims; hand hole covers; base plate that connects the pole to the foundation or arm to the pole; safety climbing cables; ladders; service ground platforms; step lugs; pole steps; steel brackets, steel flanges, and steel caps; angles that do not exceed 8" x 8" x 0.75", coax, and safety brackets; subcomponent kits for antenna mounts weighing 80 lbs. or less; service platforms; ice bridges; stainless steel hand hole door hinges and wind restraints; and steel templates.

- OEM Round or Polygonal Tapered Steel Poles, segments or shaft components of such poles, that meet the (1) ASCE 48 or AASHTO, (2) ANSI/TIA 222, (3) ANSI 05.1, (4) RUS bulletin 1724E-204, or (5) RUS bulletin 1724E-214. The exclusion for OEM round or polygonal tapered steel poles also encompasses the following components thereof: subcomponent kits for antenna mounts weighing 80 lbs. or less; mounts and platforms; steel brackets, steel flanges, and steel caps; angles that do not exceed 8" x 8" x 0.75"; bridge kits; safety climbing cables; ladders; and steel templates.

The inclusion or attachment of one or more of the above-referenced steel poles in a structure containing FSS does not remove the FSS from the scope of the investigation. No language included in this exclusion should be read or understood to have applicability to any other aspect of this scope or to have applicability to or to exclude any product, part, or component other than those specifically identified in the exclusion.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings: 7308.90.3000, 7308.90.6000, and 7308.90.9590.

The products subject to the investigation may also enter under the following HTSUS subheadings: 7216.91.0010, 7216.91.0090, 7216.99.0010, 7216.99.0090, 7222.40.6000, 7228.70.6000, 7301.10.0000, 7301.20.1000, 7301.20.5000, 7308.40.0000, 7308.90.9530, and 9406.90.0030.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

- In 2018, imports of FSS from Canada, China, and Mexico were valued at an estimated \$722.5 million, \$897.5 million, and \$622.4 million, respectively.
- The Preliminary Decision Memoranda are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers C-122-865 (CVD Canada), C-570-103 (CVD China), and C-201-851 (CVD Mexico).

NEXT STEPS

- The petitioners requested that the final determinations in these CVD investigations align with the final determinations in the concurrent antidumping duty investigations. Accordingly, Commerce is scheduled to announce its final determinations on or about November 19, 2019, unless the deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of FSS from Canada, China and/or Mexico 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 RATE
Canada	Les Constructions Beauce-Atlas Inc.	0.12 (<i>de minimis</i>)*
	Les Industries Canatal Inc.	0.45 (<i>de minimis</i>)*

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

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Modern Heavy Industries (Taicang) Co., Ltd.	30.30%
	Shanghai Matsuo Steel Structure Co., Ltd.	36.07%
	Hongju Metals Co., Ltd.**	177.43 %
	Huaye Steel Structure Co.**	177.43 %
	Jiangsu Kingmore Storage Equipment**	177.43 %
	Jiangsu Zhengchang Cereal Oil & Feed**	177.43 %
	Ningbo Jiangbei Huarentai Trade**	177.43 %
	Ningbo Win Success Machinery Co., Ltd.**	177.43 %
	Shangdong Taipeng Home Products Co.**	177.43 %
	Sinopec Engineering (Group) Co., Ltd.**	177.43 %
	Sunjoy Industrial Group Limited**	177.43 %
	Sunjoy Industries (Jiashan) Co., Ltd.**	177.43 %
	Wuxi Huishan Metalwork Technology Co., Ltd.**	177.43 %
	Yueqing Yihua New Energy Technology**	177.43 %
	All Others	32.64%

**Based entirely on adverse facts available.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Mexico	Building Systems de Mexico, S.A. de C.V.	0.01%
	Corey S.A. de C.V.	13.62 %
	Acero Tecnologia, S.A. de C.V.**	74.01 %
	Construcciones Industriales Tapia S.A. de C.V.**	74.01 %
	Estructuras Metalicas la Popular S.A. de C.V./MSCI**	74.01 %
	Operadora CICSA, S. A. de C. V. Swecomex – Guadalajara**	74.01 %
	Preacero Pellizzari Mexico S.A. de C.V.**	74.01 %
	All Others	13.62 %

**Based entirely on adverse facts available.

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	February 4, 2019
DOC Initiation Date	February 25, 2019
ITC Preliminary Determinations	March 22, 2019
DOC Preliminary Determinations	July 5, 2019
DOC Final Determinations*	November 18, 2019
ITC Final Determinations**	January 2, 2020
Issuance of Orders***	January 9, 2020

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.

*This deadline may be extended under the governing statute.

**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:

CANADA	2016	2017	2018
Volume (metric tons)	206,625	213,941	234,553
Value (USD)	627,851,379	658,169,181	722,495,797
CHINA			
CHINA	2016	2017	2018
Volume (metric tons)	432,563	446,039	421,383
Value (USD)	827,497,434	836,433,509	897,465,241
MEXICO			
MEXICO	2016	2017	2018
Volume (metric tons)	203,593	200,211	290,007
Value (USD)	401,291,103	406,417,533	622,388,317

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) 7308.90.3000, 7308.90.6000, and 7308.90.9590).