



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom

- On March 15, 2016, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of certain hot-rolled steel flat products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom.
- The AD 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 injurious dumping 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.
- In the Australia investigation, mandatory respondent BlueScope Steel Ltd. received a preliminary dumping margin of 23.25 percent. All other producers/exporters in Australia received a preliminary dumping margin of 23.25 percent.
- In the Brazil investigation, mandatory respondents Companhia Siderurgica Nacional and Usinas Siderurgicas de Minas Gerais (Usiminas) received preliminary dumping margins of 33.91 percent and 34.28 percent, respectively. All other producers/exporters in Brazil received a preliminary dumping margin of 33.91 percent. The rate for Usiminas was calculated using total adverse facts available because the company did not respond to Commerce's questionnaire.
- In the Japan investigation, mandatory respondents JFE Steel Corporation and Nippon Steel & Sumitomo Metal Corporation received preliminary dumping margins of 6.79 percent and 11.29 percent, respectively. The rates for both companies were calculated using partial facts available and adverse facts available, as they did not provide Commerce with certain requested information. All other producers/exporters in Japan received a preliminary dumping margin of 10.24 percent.
- In the Korea investigation, mandatory respondents Hyundai Steel Company and POSCO received preliminary dumping margins of 3.97 percent and 7.33 percent, respectively. All other producers/exporters in Korea received a preliminary dumping margin of 5.65 percent.
- In the Netherlands investigation, the mandatory respondent Tata Steel IJmuiden B.V. received a preliminary dumping margin of 5.07 percent, which was calculated using partial adverse facts available because the company failed to provide certain requested information. All other producers/exporters in the Netherlands received a preliminary dumping margin of 5.07 percent.
- In the Turkey investigation, mandatory respondents Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S and Ereğli Demir ve Çelik Fabrikaları T.A.Ş./Iskendrun Demir ve Çelik T.A.Ş. received

preliminary dumping margins of 7.07 percent and 5.24 percent, respectively. All other producers/exporters in Turkey received a preliminary dumping margin of 6.82 percent.

- In the United Kingdom investigation, the mandatory respondent Tata Steel U.K. Ltd. received a preliminary dumping margin of 49.05 percent. All other producers/exporters in the United Kingdom received a preliminary dumping margin of 49.05 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection to require cash deposits for covered imports of hot-rolled steel flat products based on these preliminary rates.
- Critical circumstances were alleged with respect to imports of hot-rolled steel flat products from Australia, Brazil, Japan, and the Netherlands. On December 9, 2015, Commerce preliminarily found that critical circumstances exist with respect to certain exporters from Brazil and Japan. Where critical circumstances were found, CBP will be instructed to retroactively impose provisional measures on entries of hot-rolled steel flat products effective 90 days prior to publication of the preliminary determinations in the *Federal Register*. Critical circumstances were not found with respect to imports of hot-rolled steel flat products from Australia and the Netherlands.
- The petitioners for these investigations are AK Steel Corporation (OH), ArcelorMittal USA LLC (IL), Nucor Corporation (NC), SSAB Enterprises, LLC (IL), Steel Dynamics, Inc. (IN), and United States Steel Corporation (PA).
- The products covered by these investigations are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and 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 thickness, and 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 of 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 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 unless the resulting measurement makes the product covered by the existing anti-dumping¹ or countervailing duty² orders on Certain Cut-To-Length Carbon Quality Steel Plate Products From the Republic of Korea (A-580-836; C-580-837), and

¹ Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan and the Republic of Korea, 65 FR 6585 (February 10, 2000).

(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, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, 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, the substrate for 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. The substrate for motor lamination steels contains 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 hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing

² *Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea*, 65 FR 6587 (February 10, 2000).

that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the hot-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:

- Universal mill plates (*i.e.*, hot-rolled, flat-rolled products not in coils that have been rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, of a thickness not less than 4.0 mm, and without patterns in relief);
- Products that have been cold-rolled (cold-reduced) after hot rolling;³
- Ball bearing steels;⁴
- Tool steels;⁵ and
- Silico-manganese steels;⁶

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.90.00, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00.

³ For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

⁴ 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.

⁵ 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.

⁶ 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.

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 2015, imports of certain hot-rolled steel flat products from Australia, Brazil, Japan, Korea, the Netherlands, the United Kingdom, and Turkey were valued at an estimated \$122.5 million, \$252.6 million, \$314.7 million, \$649.5 million, \$208.4 million, \$197.1million, and \$181.7 million, respectively.

NEXT STEPS

- Commerce will next conduct on-site verification of the information submitted in the questionnaire responses filed by the respondent companies, and will issue the resulting verification reports to all interested parties. Interested parties will then be afforded an opportunity to provide legal arguments on the preliminary determination and the verification reports, and participate in a public hearing, if one is requested.
- Commerce is scheduled to announce its final determinations in the Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and United Kingdom investigations on or about August 3, 2016.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of Australia, Brazil, Japan, Korea, the Netherlands, Turkey and/or the United Kingdom materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce’s or the ITC’s final determination are negative, no AD orders will be issued. The ITC is scheduled to make its final injury determinations in September 2016.

PRELIMINARY DUMPING MARGINS:

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|-----------|----------------------|-----------------|
| Australia | BlueScope Steel Ltd. | 23.25% |
| | All Others | 23.25% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS | CASH DEPOSIT |
|----------------|--|------------------------|---------------------|
| Brazil | Companhia Siderurgica Nacional | 33.91% | 29.78% |
| | Usinas Siderurgicas de Minas Gerais | 34.28% | 30.46% |
| | All Others | 33.91% | 29.93% |

NOTE: The difference between the dumping margins and the cash deposit rates represents the adjustment for the export subsidies identified in the companion countervailing duty investigation of certain hot-rolled steel from Brazil.

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|--|------------------------|
| Japan | JFE Steel Corporation | 6.79% |
| | Nippon Steel & Sumitomo Metal Corporation | 11.29% |
| | All Others | 10.24% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|------------------------------|------------------------|
| Korea | Hyundai Steel Company | 3.97% |
| | POSCO | 7.33% |
| | All Others | 5.65% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|--------------------|---------------------------------|------------------------|
| Netherlands | Tata Steel IJmuiden B.V. | 5.07% |
| | All Others | 5.07% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|----------------|---|------------------------|
| Turkey | Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S | 7.07% |
| | Ereğli Demir ve Çelik Fabrikaları T.A.Ş/Iskenderun Demir ve Çelik T.A.Ş. | 5.24% |
| | All Others | 6.82% |

| COUNTRY | EXPORTER/PRODUCER | DUMPING MARGINS |
|-----------------------|-----------------------------|------------------------|
| United Kingdom | Tata Steel U.K. Ltd. | 49.05% |
| | All Others | 49.05% |

CASE CALENDAR:

| EVENT | DATE |
|--------------------------------|--------------------|
| Petitions Filed | August 11, 2015 |
| DOC Initiation Date | August 31, 2015 |
| ITC Preliminary Determinations | September 25, 2015 |
| DOC Preliminary Determinations | March 14, 2016 |
| DOC Final Determinations | August 3, 2016 |
| ITC Final Determinations* | September 17, 2016 |
| Issuance of Orders** | September 24, 2016 |

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. 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 by Commerce.

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

IMPORT STATISTICS:

| AUSTRALIA | 2013 | 2014 | 2015 |
|-----------------------|-------------|-------------|-------------|
| Volume (metric tons) | 132,800 | 245,300 | 264,800 |
| Value (USD) | 73,214,000 | 143,796,000 | 122,479,000 |
| BRAZIL | 2013 | 2014 | 2015 |
| Volume (metric tons) | 45,700 | 240,000 | 516,800 |
| Value (USD) | 26,310,000 | 146,284,000 | 252,597,000 |
| JAPAN | 2013 | 2014 | 2015 |
| Volume (metric tons) | 398,000 | 466,600 | 424,800 |
| Value (USD) | 333,079,000 | 358,966,000 | 314,676,000 |
| KOREA | 2013 | 2014 | 2015 |
| Volume (metric tons) | 713,800 | 1,071,000 | 1,216,000 |
| Value (USD) | 467,208,000 | 678,792,000 | 649,452,000 |
| NETHERLANDS | 2013 | 2014 | 2015 |
| Volume (metric tons) | 368,200 | 468,300 | 380,600 |
| Value (USD) | 236,294,000 | 315,208,000 | 208,383,000 |
| TURKEY | 2013 | 2014 | 2015 |
| Volume (metric tons) | 43,400 | 366,400 | 342,100 |
| Value (USD) | 25,015,000 | 218,391,000 | 181,677,000 |
| UNITED KINGDOM | 2013 | 2014 | 2015 |
| Volume (metric tons) | 78,200 | 181,000 | 255,300 |
| Value (USD) | 92,307,000 | 169,083,000 | 197,144,000 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, and 7226.91.80.00)

The above HTSUS subheadings may cover both subject and non-subject merchandise. Imports of hot-rolled steel flat products may also enter under 7210.90.90.00, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.