



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Certain Iron Mechanical Transfer Drive Components from China and Canada

- On November 18, 2015, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of certain iron mechanical transfer drive components from China and an AD investigation of imports of certain iron mechanical transfer drive components from Canada.
- The AD and CVD laws provide U.S. businesses and workers with a transparent 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, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner for these investigations is TB Wood's Incorporated (PA).
- The products covered by these investigations are iron mechanical transfer drive components, whether finished or unfinished (*i.e.*, blanks or castings). Subject iron mechanical transfer drive components are in the form of wheels or cylinders with a center bore hole that may have one or more grooves or teeth in their outer circumference that guide or mesh with a flat or ribbed belt or like device and are often referred to as sheaves, pulleys, flywheels, flat pulleys, idlers, conveyer pulleys, synchronous sheaves, and timing pulleys. The products covered by these investigations also include bushings, which are iron mechanical transfer drive components in the form of a cylinder and which fit into the bore holes of other mechanical transfer drive components to lock them into drive shafts by means of elements such as teeth, bolts, or screws.

Iron mechanical transfer drive components subject to these investigations are those not less than 4.00 inches (101 mm) in the maximum nominal outer diameter.

Unfinished iron mechanical transfer drive components (*i.e.*, blanks or castings) possess the approximate shape of the finished iron mechanical transfer drive component and have not yet been machined to final specification after the initial casting, forging or like operations. These machining processes may include cutting, punching, notching, boring, threading, mitring, or chamfering.

Subject merchandise includes iron mechanical transfer drive components as defined above that have been finished or machined in a third country, including but not limited to finishing/machining processes such as cutting, punching, notching, boring, threading, mitring, or chamfering, 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 iron mechanical transfer drive components.

Subject iron mechanical transfer drive components are covered by the scope of the investigations regardless of width, design, or iron type (*e.g.*, gray, white, or ductile iron). Subject iron mechanical transfer drive components are covered by the scope of the investigations regardless of whether they have non-iron attachments or parts and regardless of whether they are entered with other mechanical transfer drive components or as part of a mechanical transfer drive assembly (which typically includes one or more of the iron mechanical transfer drive components identified above, and which may also include other parts such as a belt, coupling and/or shaft). When entered as a mechanical transfer drive assembly, only the iron components that meet the physical description of covered merchandise are covered merchandise, not the other components in the mechanical transfer drive assembly (*e.g.*, belt, coupling, shaft).

For purposes of these investigations, a covered product is of “iron” where the article has a carbon content of 1.7 percent by weight or above, regardless of the presence and amount of additional alloying elements.

The merchandise covered by these investigations are currently classifiable under Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 8483.30.8090, 8483.50.6000, 8483.50.9040, 8483.50.9080, 8483.90.3000, 8483.90.8080. Covered merchandise may also enter under the following HTSUS subheadings: 7325.10.0080, 7325.99.1000, 7326.19.0010, 7326.19.0080, 8431.31.0040, 8431.31.0060, 8431.39.0010, 8431.39.0050, 8431.39.0070, 8431.39.0080, and 8483.50.4000. These HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the investigations is dispositive.

- In 2014, imports of certain iron mechanical transfer drive components from China and Canada were valued at an estimated \$274.3 million and \$222.3 million, respectively.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before December 14, 2015.
- If the ITC determines that there is a reasonable indication that imports of certain iron mechanical transfer drive components from China and/or Canada materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD determination in January 2016 and its preliminary AD determinations in April 2016, unless the statutory deadlines are extended. If the ITC’s preliminary determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGIN
China	67.82 to 401.68 percent
Canada	9.60 to 191.34 percent

ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

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

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	October 28, 2015	October 28, 2015
DOC Initiation Date	November 17, 2015	November 17, 2015
ITC Preliminary Determinations*	December 14, 2015†	December 14, 2015†
DOC Preliminary Determinations	April 5, 2016	January 21, 2016
DOC Final Determinations	June 20, 2016†	April 5, 2016
ITC Final Determinations**	August 3, 2016	May 20, 2016
Issuance of Orders***	August 10, 2016	May 27, 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 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.

* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

**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	2012	2013	2014
Value (USD)	171,239,000	201,951,000	222,330,000
CHINA	2012	2013	2014
Value (USD)	244,408,000	248,339,000	274,303,000

Source: U.S. Census Bureau, Accessed Through Global Trade Atlas. (Htsus 8483.30.8090, 8483.50.6000, 8483.50.9040, 8483.50.9080, 8483.90.3000, 8483.90.8080). Imports Of Iron Mechanical Transfer Drive Components May Also Enter Under 7325.10.0080, 7325.99.1000, 7326.19.0010, 7326.19.0080, 8431.31.0040, 8431.31.0060, 8431.39.0010, 8431.39.0050, 8431.39.0070, 8431.39.0080, And 8483.50.4000. These HTSUS Subheadings May Cover A Significant Amount Of Non-Subject Merchandise And Therefore Have Been Excluded For Purposes Of Reporting Import Statistics. Volume Is Not Reported In Official Import Statistics For Imports Entered Under The Above HTSUS Subheadings.