



FACT SHEET

Commerce Initiates Antidumping Duty Investigations of Imports of Refillable Stainless Steel Kegs from China, Germany, and Mexico and a Countervailing Duty Investigation of Imports of Refillable Stainless Steel Kegs from China

- On October 11, 2018, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) investigations of imports of refillable stainless steel kegs from China, Germany, and Mexico and a countervailing duty (CVD) investigation of refillable stainless steel kegs from China.
- 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.
- The petitioner is American Keg Company, LLC (Pottstown, PA).
- The merchandise covered by these investigations are kegs, vessels, or containers that are approximately cylindrical in shape, made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight, with or without other elements), and that are compatible with a “D Sankey” extractor (commonly known as a “D Coupler” or “Sankey”) (refillable stainless steel kegs) with a nominal liquid volume capacity of 10 liters or more, regardless of the type of finish, gauge, thickness, or grade of stainless steel, and whether or not covered by or encased in other materials. Refillable stainless steel kegs may be imported assembled or unassembled, with or without all components (including spears, couplers or taps, necks, collars, and valves), and be filled or unfilled.

“Unassembled” or “unfinished” refillable stainless steel kegs include drawn stainless steel cylinders that have been welded to form the body of the keg and welded to an upper (top) chime and/or lower (bottom) chime. Unassembled refillable stainless steel kegs may or may not be welded to a neck, may or may not have a valve assembly attached, and may be otherwise complete except for testing, certification, and/or marking.

Subject merchandise also includes refillable stainless steel kegs that have been further processed in a third country, including but not limited to, attachment of necks, collars, spears or valves, heat treatment, pickling, passivation, painting, testing, certification 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 in-scope refillable stainless steel keg.

Specifically excluded are the following:

- (1) vessels or containers that are not approximately cylindrical in nature (*e.g.*, box, “hopper” or “cone” shaped vessels);
- (2) stainless steel kegs, vessels, or containers that have either a “ball lock” valve system or a “pin lock” valve system (commonly known as “Cornelius,” “corny” or “ball lock” kegs);
- (3) necks, spears, couplers or taps, collars, and valves that are not imported with the subject merchandise; and
- (4) stainless steel kegs that are filled with beer, wine, or other liquid and that are designated by the Commissioner of Customs as Instruments of International Traffic within the meaning of section 332(a) of the *Tariff Act of 1930*, as amended.

The merchandise covered by this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7310.10.0010, 7310.00.0050, 7310.29.0025, and 7310.29.0050.

These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of this investigation is dispositive.

- In 2017, imports of refillable stainless steel kegs from China, Germany, and Mexico were valued at an estimated \$18.1 million, \$11.8 million, and \$5.7 million, respectively.
- The Initiation Decision Checklists 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 A-570-093 for AD China, A-428-846 for AD Germany, A-201-849 for AD Mexico, and C-570-094 for CVD China.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before November 5, 2018.
- If the ITC determines that there is a reasonable indication that imports of refillable stainless steel kegs from China, Germany, and/or Mexico materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and Commerce will be scheduled to announce its preliminary CVD determination in December 2018 and its preliminary AD determinations in February 2019, although these dates may be extended. If the ITC’s determinations are negative, the investigations will be terminated.

ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	204.42 percent
Germany	72.80 percent
Mexico	18.48 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	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	September 20, 2018	September 20, 2018
DOC Initiation Date	October 10, 2018	October 10, 2018
ITC Preliminary Determinations*	November 5, 2018†	November 5, 2018†
DOC Preliminary Determinations	December 14, 2018	February 27, 2019
DOC Final Determinations	February 27, 2019	May 13, 2019
ITC Final Determinations**	April 15, 2019†	June 27, 2019
Issuance of Orders***	April 22, 2019	July 5, 2019†

NOTE: Commerce’s 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.

* If the ITC makes a negative preliminary determination 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.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (number)	258,895	209,207	294,155
Value (USD)	18,141,682	14,098,140	18,064,443
GERMANY	2015	2016	2017
Quantity (number)	193,804	173,122	144,633
Value (USD)	19,210,405	15,400,057	11,834,898
MEXICO	2015	2016	2017
Quantity (number)	130,844	108,602	84,663
Value (USD)	9,332,721	7,189,847	5,672,357

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 7310.10.0010). This HTSUS subheading may cover both subject and non-subject merchandise. Imports of refillable stainless steel kegs may also enter under HTSUS subheadings 7310.00.0050, 7310.29.0025, and 7310.29.0050. However, these HTSUS subheadings may cover a significant amount of non-subject merchandise; therefore these HTSUS subheadings have not been used for purposes of reporting the above import statistics.