



## FACT SHEET

### **Commerce Initiates Antidumping Duty (AD) Investigations of Imports of Steel Propane Cylinders from the People's Republic of China, Taiwan, and Thailand and Countervailing Duty (CVD) Investigation of Imports of Steel Propane Cylinders from the People's Republic of China**

- On June 12, 2018, the Department of Commerce (Commerce) announced the initiation of AD investigations of imports of steel propane cylinders from the People's Republic of China (China), Taiwan, and Thailand, and a CVD investigation of imports of steel propane cylinders 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 petitioners are Worthington Industries (Columbus, OH) and Manchester Tank & Equipment Co. (Franklin, TN).
- The merchandise covered by these investigations is steel cylinders for compressed or liquefied propane gas (steel propane cylinders) meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specifications 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or United Nations pressure receptacle standard ISO 4706. The scope includes steel propane cylinders regardless of whether they have been certified to these specifications before importation. Steel propane cylinders range from 2.5 pound nominal gas capacity (approximate 6 pound water capacity and approximate 4-6 pound tare weight) to 42 pound nominal gas capacity (approximate 100 pound water capacity and approximate 28-32 pound tare weight). Steel propane cylinders have two or fewer ports and may be imported assembled or unassembled (*i.e.*, welded or brazed before or after importation), with or without all components (including collars, valves, gauges, tanks, foot rings, and overfill prevention devices), and coated or uncoated. Also included within the scope are drawn cylinder halves, unfinished propane cylinders, collars, and foot rings for steel propane cylinders.

An "unfinished" or "unassembled" propane cylinder includes drawn cylinder halves that have not been welded into a cylinder, cylinders that have not had flanges welded into the port hole(s), cylinders that are otherwise complete but have not had collars or foot rings welded to them, otherwise complete cylinders without a valve assembly attached, and cylinders that are otherwise complete except for testing, certification, and/or marking.

These investigations also cover steel propane cylinders that meet, are produced to meet, or are certified as meeting, other U.S. or Canadian government, international, or industry standards (including, for example, American Society of Mechanical Engineers (ASME), or American National

Standard Institute (ANSI)), if they also meet, are produced to meet, or are certified as meeting USDOT Specification 4B, 4BA, or 4BW, or Transport Canada Specification 4BM, 4BAM, or 4BWM, or a United Nations pressure receptacle standard ISO 4706.

Subject merchandise also includes steel propane cylinders that have been further processed in a third country, including but not limited to, attachment of collars, foot rings, or handles by welding or brazing, heat treatment, painting, testing, certification, 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 in-scope steel propane cylinders.

Specifically excluded are seamless steel propane cylinders and propane cylinders 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), aluminum, or composite fiber material. Composite fiber material is material consisting of the mechanical combination of two components: fiber (typically glass, carbon, or aramid (synthetic polymer)) and a matrix material (typically polymer resin, ceramic, or metallic).

The merchandise subject to these investigations is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

- In 2017, imports of steel propane cylinders from China, Taiwan, and Thailand were valued at an estimated \$89.8 million, \$10.1 million, and \$14.1 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-570-086 (AD China), C-570-087 (CVD China), A-583-864 (AD Taiwan), and A-549-839 (AD Thailand).

## **NEXT STEPS**

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before July 6, 2018.
- If the ITC determines that there is a reasonable indication that imports of steel propane cylinders from China, Taiwan, and/or Thailand, 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 August 2018 and its preliminary AD determinations in October 2018, 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	From 55.41 to 108.60 percent
Taiwan	From 27.19 to 66.20 percent
Thailand	47.67 and 122.48 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	May 22, 2018	May 22, 2018
DOC Initiation Date	June 11, 2018	June 11, 2018
ITC Preliminary Determinations*	July 6, 2018	July 6, 2018
DOC Preliminary Determinations	August 15, 2018	October 29, 2018
DOC Final Determinations	October 29, 2018	January 14, 2019†
ITC Final Determinations**	December 13, 2018	February 26, 2019
Issuance of Orders***	December 20, 2018	March 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

<b>CHINA</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Quantity (units)	2,223,135	1,613,360	4,006,413
Value (USD)	60,364,689	60,930,318	89,801,633
<b>TAIWAN</b>			
<b>TAIWAN</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Quantity (units)	43,744	207,696	706,351
Value (USD)	3,232,375	5,989,647	10,061,659
<b>THAILAND</b>			
<b>THAILAND</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Quantity (units)	401,756	667,462	877,767
Value (USD)	7,820,066	12,136,965	14,135,025

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7311.00.0060 and 7311.00.0090.) These HTSUS subheadings are basket categories and cover both subject and non-subject merchandise.