



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Steel Propane Cylinders from China and Thailand

- On December 19, 2018, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the antidumping duty (AD) investigations of imports of steel propane cylinders from the People's Republic of China (China) and Thailand.
- 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 an imported product in the United States at less than fair value.
- In the China investigation, Commerce assigned a preliminary dumping rate of 33.37 percent to mandatory respondent Shandong Huanri Group Co. Ltd. Commerce assigned a preliminary dumping rate of 41.08 percent to mandatory respondent Hong Kong GSBF Company Limited. Commerce assigned a preliminary dumping rate of 108.60 percent to the China-wide entity, based entirely on adverse facts available. Commerce assigned a preliminary dumping rate of 33.86 percent to the one company which demonstrated that it was eligible for a separate rate, Jiaxing Pressure Vessel Factory.
- In the Thailand investigation, Commerce assigned a preliminary dumping rate of 9.85 percent to mandatory respondent Sahamitr Pressure Container Plc. and all other Thai producers and exporters.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- 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.

The 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 and Thailand were valued at an estimated \$89.8 million and \$14.1 million, respectively.
- The Preliminary Decision Memoranda is 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 number A-570-086 for China and A-549-839 for Thailand.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on or about March 5, 2019.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of steel propane cylinders from China and Thailand materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If either Commerce or the ITC issue negative final determinations, no AD 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 DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT RATES (adjusted for export subsidies)
China	Shangdong Huanri Group Co. Ltd.	33.37%	8.27%
	Hong Kong GSBF Company Limited/GSBF Tank Inc.	41.08%	15.98%
	Jiaxing Pressure Vessel Factory*	33.86%	8.76%
	China-Wide	108.60%	83.50%

*Separate rate company.

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES
Thailand	Sahamitr Pressure Container Plc.	9.85%
	All Others	9.85%

CASE CALENDAR:

EVENT	AD INVESTIGATIONS
Petitions Filed	May 22, 2018
DOC Initiation Date	June 11, 2018
ITC Preliminary Determinations	March 19, 2018
DOC Preliminary Determinations	December 18, 2018
DOC Final Determination	March 4, 2019
ITC Final Determination*	April 18, 2019
Issuance of Order	April 25, 2019**

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)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

*This will take place only in the event of affirmative final determinations from Commerce.

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

***This will take place only in the event of affirmative final determinations from Commerce and the ITC for Thailand. †Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (units)	2,223,135	1,613,360	4,006,413
Value (USD)	60,364,689	60,930,318	89,801,633
THAILAND			
THAILAND	2015	2016	2017
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.