



## FACT SHEET

### **Commerce Initiates Antidumping Duty (AD) and Countervailing Duty (CVD) Investigations of Imports of Titanium Sponge from Japan (AD) and Kazakhstan (AD and CVD)**

- On September 14, 2017, the Department of Commerce (Commerce) announced the initiation of AD and CVD investigations of imports of titanium sponge from Japan (AD) and Kazakhstan (AD and CVD).
- 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 Titanium Metals Corporation (a.k.a., TIMET), which is headquartered in Exton, PA.
- The products covered by these investigations are all forms and grades of titanium sponge, except as specified below. Titanium sponge is unwrought titanium metal that has not been melted. Expressly excluded from the scope of these investigations are:
  - 1) Loose particles of unwrought titanium metal having a particle size of less than 20 mesh (0.84mm);
  - 2) alloyed or unalloyed briquettes of unwrought titanium metal that contain more than 0.2% oxygen on a dry weight basis; and
  - 3) ultra-high purity titanium sponge. In ultra-high purity titanium sponge, metallic impurities do not exceed any of these amounts:

#### WT%

Aluminum 0.0005  
Chromium 0.0001  
Cobalt 0.0001  
Copper 0.0002  
Iron 0.0300  
Manganese 0.0010  
Nickel 0.0002  
Vanadium 0.0002  
Zirconium 0.0005  
Carbon 0.0150  
Hydrogen 0.0100  
Nitrogen 0.0020  
Oxygen 0.1000

Titanium sponge is currently classified under subheading 8108.20.0010 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheading is provided for convenience and customs purposes; the written description of the scope of these investigations is dispositive.

- In 2016, imports of titanium sponge from Japan and Kazakhstan were valued at an estimated \$144.8 million and \$374 thousand, respectively.

#### NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before October 10, 2017.
- If the ITC determines that there is a reasonable indication that imports of titanium sponge from Japan and/or Kazakhstan materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will be scheduled to announce its preliminary CVD determination in November 2017 and its preliminary AD determinations in January 2018, though these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

#### ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
Japan	69.69 – 95.20 percent
Kazakhstan	42.22 percent

#### ESTIMATED SUBSIDY RATE:

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

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

## CASE CALENDAR:

EVENT	AD INVESTIGATIONS	CVD INVESTIGATION
Petitions Filed	August 24, 2017	August 24, 2017
DOC Initiation Date	September 13, 2017	September 13, 2017
ITC Preliminary Determinations*	October 10, 2017†	October 10, 2017†
DOC Preliminary Determinations	January 31, 2018	November 17, 2017
DOC Final Determinations	April 16, 2018	January 31, 2018
ITC Final Determinations**	May 31, 2018	March 19, 2018†
Issuance of Orders***	June 7, 2018	March 26, 2018†

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:

JAPAN	2014	2015	2016
Volume (metric tons)	13,321	15,488	15,849
Value (USD)	155,281,184	161,125,346	144,794,485
KAZAKHSTAN	2014	2015	2016
Volume (metric tons)	N/A*	N/A*	N/A*
Value (USD)	6,644,070	21,371,092	373,974

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 8108.20.0010).

\*Volume data for imports of titanium sponge from Kazakhstan are not reported in the official import statistics.