



FACT SHEET

Commerce Issues Affirmative Preliminary Determinations in the Countervailing Duty Investigations of Imports of Utility Scale Wind Towers from Canada, Indonesia, and the Socialist Republic of Vietnam

- On December 9, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determinations of the countervailing duty (CVD) investigations of imports of utility scale wind towers from Canada, Indonesia, and the Socialist Republic of Vietnam (Vietnam).
- The CVD 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 unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production and/or exportation of goods by 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.
- In the Canada investigation, Commerce assigned a 1.09% rate to the only respondent, Marmen Inc., Marmen Énergie Inc., and Gestion Marmen Inc. (collectively, Marmen). Commerce assigned a preliminary subsidy rate of 1.09% to all other Canadian producers and exporters.
- In the Indonesia investigation, Commerce assigned a preliminary subsidy rate of 20.29% to the mandatory respondent, PT Kenertec Power System. Commerce assigned a preliminary subsidy rate of 20.29% to all other Indonesian producers and exporters.
- In the Vietnam investigation, Commerce assigned a preliminary subsidy rate of 2.43% to the mandatory respondent, CS Wind Vietnam Co., Ltd. Commerce assigned a preliminary subsidy rate of 2.43% to all other Vietnamese producers and exporters.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of utility scale wind towers from Canada, Indonesia, and Vietnam, based on these preliminary rates.
- The petitioner is the Wind Tower Trade Coalition, the members of which are Arcosa Wind Towers Inc. (Dallas, TX) and Broadwind Towers, Inc. (Manitowoc, WI).
- The scope of these investigations is in Appendix I.
- In 2018, imports of utility scale wind towers from Canada, Indonesia, and Vietnam were valued at an estimated \$60.2 million, \$37.4 million, and \$21.4 million, respectively.
- The Preliminary Decision Memoranda 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 C-122-868, C-560-834, and C-552-826 for Canada, Indonesia, and Vietnam, respectively.

NEXT STEPS

- The petitioners requested that the final determinations in these CVD investigations align with the final determinations in the concurrent antidumping duty investigations. Accordingly, Commerce is scheduled to announce its final determinations on or about April 21, 2020, unless the deadline is extended.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of utility scale wind towers from Canada, Indonesia and/or Vietnam materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce's or the ITC's final determinations are negative, no CVD 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 SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Canada	Marmen Inc., Marmen Énergie Inc., and Gestion Marmen Inc.	1.09%
	All Others	1.09%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Indonesia	PT Kenertec Power System	20.29%
	All Others	20.29%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
Vietnam	CS Wind Vietnam Co., Ltd.	2.43%
	All Others	2.43%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	July 9, 2019
DOC Initiation Date	July 29, 2019
ITC Preliminary Determinations	August 23, 2019
DOC Preliminary Determinations[†]	December 6, 2019
DOC Final Determinations*	April 20, 2020
ITC Final Determinations**	June 4, 2020
Issuance of Orders***	June 11, 2020

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). These deadlines may be extended under certain circumstances.

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

*This deadline may be extended under the governing statute.

**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	2016	2017	2018
Volume (metric tons)	20,688	25,774	27,432
Value (USD)	47,467,560	41,393,902	60,204,526
Indonesia			
Indonesia	2016	2017	2018
Volume (metric tons)	50,638	18,063	23,759
Value (USD)	95,719,974	55,780,717	37,418,183
Vietnam			
Vietnam	2016	2017	2018
Volume (metric tons)	8,522	0	14,138
Value (USD)	23,680,000	0	21,441,256

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheading 7308.20.0020).

Appendix I

The scope of the investigation is as follows:

The merchandise covered by the scope of these investigations consists of certain wind towers, whether or not tapered, and sections thereof. Certain wind towers support the nacelle and rotor blades in a wind turbine with a minimum rated electrical power generation capacity in excess of 100 kilowatts and with a minimum height of 50 meters measured from the base of the tower to the bottom of the nacelle (i.e., where the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment, or method of manufacture, and with or without flanges, doors, or internal or external components (e.g., flooring/decking, ladders, lifts, electrical buss boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof are included within the scope whether or not they are joined with nonsubject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject merchandise.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof, unless those components are shipped with the tower sections.

Further, excluded from the scope of the antidumping duty investigations are any products covered by the existing antidumping duty order on utility scale wind towers from the Socialist Republic of Vietnam. See *Utility Scale Wind Towers from the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 78 FR 11150 (February 15, 2013).

Merchandise covered by these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7308.20.0020 or 8502.31.0000. Wind towers of iron or steel are classified under HTSUS 7308.20.0020 when imported separately as a tower or tower section(s). Wind towers may be classified under HTSUS 8502.31.0000 when imported as combination goods with a wind turbine (i.e., accompanying nacelles and/or rotor blades). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.