



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of 53-Foot Domestic Dry Containers from the People's Republic of China

- On April 13, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of 53-foot domestic dry containers (domestic dry containers) from the People's Republic of China (China).
- The AD and CVD laws provides U.S. businesses and workers with a transparent 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, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and that are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of domestic dry containers from China have been sold in the United States at dumping margins ranging from 107.19 percent to 111.22 percent.
- Commerce also determined that imports of domestic dry containers from China have received countervailable subsidies ranging from 17.13 percent to 28.00 percent.
- In the AD investigation, mandatory respondent Hui Zhou Pacific Container Co., Ltd., Qingdao Pacific Container Co., Ltd., Qidong Singamas Energy Equipment Co., Ltd., and Singamas Management Services Limited received a final dumping margin of 111.22 percent. Mandatory respondent China International Marine Containers (Group) Co., Ltd., China International Marine Containers (HK) Ltd., Xinhui CIMC Special Transportation Equipment Co., Ltd., Nantong CIMC-Special Transportation Equipment Manufacture Co., Ltd., and Qingdao CIMC Container Manufacture Co., Ltd. was not found to be eligible for a separate rate and, therefore, will be assigned the China-wide final dumping margin of 107.19 percent.
- In the CVD investigation, Commerce calculated a final subsidy rate of 28.00 percent for mandatory respondent China International Marine Containers (Group) Co., Ltd. and 7 affiliates. Mandatory respondent Hui Zhou Pacific Container Co., Ltd., Qingdao Pacific Container Co., Ltd., and Qidong Singamas Energy Equipment Co., Ltd. received a final subsidy rate of 17.13 percent. All other producers/exporters in China have been assigned a final subsidy rate of 22.57 percent.
- As a result of the final affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. If the U.S. International Trade Commission (ITC) issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

As a result of the affirmative final CVD determination and in the event the ITC issues a final affirmative injury determination, Commerce will issue a CVD order and will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation.

- The petitioner for these investigations is Stoughton Trailers, LLC (WI).
- The merchandise subject to these investigations is closed (*i.e.*, not open top) van containers exceeding 14.63 meters (48 feet) but generally measuring 16.154 meters (53 feet) in exterior length, which are designed for the intermodal transport¹ of goods other than bulk liquids within North America primarily by rail or by road vehicle, or by a combination of rail and road vehicle (domestic containers). The merchandise is known in the industry by varying terms including “53-foot containers,” “53-foot dry containers,” “53-foot domestic dry containers,” “domestic dry containers” and “domestic containers.” These terms all describe the same article with the same design and performance characteristics. Notwithstanding the particular terminology used to describe the merchandise, all merchandise that meets the definition set forth herein is included within the scope of these investigations.

Domestic containers generally meet the characteristic for closed van containers for domestic intermodal service as described in the American Association of Railroads (AAR) Manual of Standards and Recommended Practices Intermodal Equipment Manual Closed Van Containers for Domestic Intermodal Service Specification M 930 Adopted: 1972; Last Revised 2013 (AAR Specifications) for 53-foot and 53-foot high cube containers. The AAR Specifications generally define design, performance and testing requirements for closed van containers, but are not dispositive for purposes of defining subject merchandise within this scope definition. Containers which may not fall precisely within the AAR Specifications or any successor equivalent specifications are included within the scope definition of the subject merchandise if they have the exterior dimensions referenced below, are suitable for use in intermodal transportation, are capable of and suitable for double-stacking² in intermodal transportation, and otherwise meet the scope definition for the subject merchandise.

Domestic containers have the following actual exterior dimensions: an exterior length exceeding 14.63 meters (48 feet) but not exceeding 16.154 meters (53 feet); an exterior width of between 2.438 meters and 2.60 meters (between 8 feet and 8 feet 6 3/8 inches); and an exterior height of between 2.438 meters and 2.908 meters (between 8 feet and 9 feet 6 1/2 inches), all subject to tolerances as allowed by the AAR Specifications. In addition to two frames (one at either end of the container), the domestic containers within the scope definition have two stacking frames located equidistant from each end of the container, as required by the AAR Specifications. The stacking frames have four upper handling fittings and four bottom dual aperture handling fittings, placed at the respective corners of the stacking frames. Domestic containers also have two forward facing fittings at the front lower corners and two downward facing fittings at the rear lower corners of the container to facilitate chassis interface.

¹ “Intermodal transport” refers to a movement of freight using more than one mode of transportation, most commonly on a container chassis for on-the-road transportation and on a rail car for rail transportation.

² “Double-stacking” refers to two levels of intermodal containers on a rail car, one on top of the other.

All domestic containers as described herein are included within this scope definition, regardless of whether the merchandise enters the United States in a final, assembled condition, or as an unassembled kit or substantially complete domestic container which requires additional manipulation or processing after entry into the United States to be made ready for use as a domestic container. The scope of this investigation excludes the following items: 1) refrigerated containers; 2) trailers, where the cargo box and rear wheeled chassis are of integrated construction and the cargo box of the unit may not be separated from the chassis for further intermodal transport; 3) container chassis, whether or not imported with domestic containers, but the domestic containers remain subject merchandise, to the extent they meet the written description of the scope. Imports of the subject merchandise are provided for under subheading 8609.00.0000 of the Harmonized Tariff Schedule of the United States (HTSUS). Imports of the subject merchandise which meet the definition of and requirements for “instruments of international traffic” pursuant to 19 U.S.C. §1322 and 19 C.F.R. §10.41a may be classified under subheading 9803.00.50, HTSUS. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise as set forth herein is dispositive.

- In 2014, imports of 53-foot domestic dry containers from China were valued at an estimated \$365 million.

NEXT STEPS

- The ITC is scheduled to make its final injury determination on May 26, 2015.
- If the ITC makes an affirmative final determination that imports of domestic dry containers from China materially injure, threaten material injury to, or materially retard the establishment of, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Hui Zhou Pacific Container Co., Ltd., Qingdao Pacific Container Co., Ltd., Qidong Singamas Energy Equipment Co., Ltd., Singamas Management Services Limited/Hui Zhou Pacific Container Co., Ltd.,	111.22%
	China-Wide Rate	107.19%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	China International Marine Containers (Group) Co., Ltd.; Guangdong Xinhui CIMC Special Transportation Equipment Co., Ltd.; Qingdao CIMC Container Manufacture Co., Ltd.; Nantong CIMC-Special Transportation Equipment Manufacture Co., Ltd.; Xinhui CIMC Wood Co., Ltd.; Xinhui CIMC Container Co., Ltd.; CIMC Containers Holding Co., Ltd.; and CIMC Wood Development Co., Ltd.	28.00%
	Hui Zhou Pacific Container Co., Ltd.; Qingdao Pacific Container Co., Ltd.; and Qidong Singamas Energy Equipment Co., Ltd.	17.13%
	All-Others	22.57%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	April 23, 2014	April 23, 2014
DOC Initiation Date	May 13, 2014	May 13, 2014
ITC Preliminary Determination	June 9, 2014 [†]	June 9, 2014 [†]
DOC Preliminary Determination	September 22, 2014	November 19, 2014
DOC Final Determination*	April 10, 2015	April 10, 2015
ITC Final Determination	May 26, 2015 [†]	May 26, 2015 [†]
Issuance of Order**	June 2, 2015	June 2, 2015

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). For AD investigations, the deadline is set forth in section 735(a) of 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.

*The final determination has been aligned with the final determination in the concurrent antidumping duty investigation.

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

IMPORT STATISTICS:

CHINA	2012	2013	2014
Value (USD)	247,081,000	184,165,000	364,997,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 8609.00.0000). This HTSUS subheading may cover both subject and non-subject merchandise. Volume is not reported in official import statistics for imports entered under HTSUS subheading 8609.00.0000. Imports of subject merchandise may also enter under HTSUS subheading 9803.00.50; however, the volume and value of imports entered under HTSUS subheading 9803.00.50 are not reported in official import statistics. Therefore, the above import statistics only reflect the value of imports entered under HTSUS 8609.00.0000.