



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China

- On January 26, 2015, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of boltless steel shelving units prepackaged for sale (boltless steel shelving) from the People's Republic of China (China).
- The CVD law provides U.S. business and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and 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 calculated a preliminary subsidy rate of 14.53 percent for Nanjing Topsun Racking Manufacturing Co., Ltd., and a preliminary subsidy rate of 12.21 percent for Ningbo ETDZ Huixing Trade Co., Ltd. All other producers/exporters in China have been assigned a preliminary subsidy rate of 13.37 percent. In addition, fourteen companies which did not respond to the quantity and value questionnaire received a preliminary subsidy rate of 55.75 percent, based on adverse facts available.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The petitioner for this investigation is Edsal Manufacturing Company, Inc. (IL).
- The scope of this investigation covers boltless steel shelving units prepackaged for sale, with or without decks (boltless steel shelving). The term "prepackaged for sale" means that, at a minimum, the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (*e.g.*, two posts). The term "boltless" refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with

front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;¹
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheadings 9403.20.0018 and 9403.20.0020, but may also enter through HTSUS 9403.10.0040. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

- In 2013, imports of boltless steel shelving from China were valued at an estimated \$86 million.²

NEXT STEPS

- Commerce is scheduled to announce its final determination in this investigation on or about June 9, 2015, unless the statutory deadline is extended.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of boltless steel shelving from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce or the ITC final determinations are negative, no CVD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

¹ The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

² Because the HTS numbers listed in the scope are basket categories covering metal furniture, the quantity reflected in CBP data grossly overestimates imports of this product into the U.S. This value is derived from data contained in the Petition.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Nanjing Topsun Racking Manufacturing Co., Ltd.	14.53%
	Ningbo ETDZ Huixing Trade Co., Ltd.	12.21%
	Separate Rate Companies (See Attached List)	55.75%
	China-Wide Rate	13.37%

CASE CALENDAR:

EVENT	DATE
Petition Filed	August 26, 2014
DOC Initiation Date	September 15, 2014
ITC Preliminary Determination	October 10, 2014
DOC Preliminary Determination	January 23, 2015
DOC Final Determination*	June 8, 2015
ITC Final Determination**	July 22, 2015
Issuance of Order***	July 29, 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. These deadlines may be extended under certain circumstances.

*This 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 from Commerce.

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

IMPORT STATISTICS:

CHINA	2011	2012	2013
Value (USD)	50,000,000	60,00,0000	86,000,000

Source: Data derived from the Petition.

SEPARATE RATES

Company	Subsidy Rate
Dalian Huameilong Metal Products Co., Ltd.	55.75%
Dongguan Yuan Er Sheng Machinery Source Hardware Co., Ltd.	55.75%
Dong Rong Metal Products Co., Ltd.	55.75%
Global Storage Equipment Manufacturer Limited	55.75%
Intradin (Shanghai) Import & Export Co., Ltd.	55.75%
Jinhua Development District Hongfa Tool, Ltd.	55.75%
Kunshan Jisheng Metal & Plastic Co., Ltd.	55.75%
Nanjing Huade Warehousing Equipment Manufacturing Co. Ltd.	55.75%
Nanjing Whitney Metal Products Co., Ltd.	55.75%
Nanjing Yodoly Logistics Equipments Manufacturing Co. , Ltd.	55.75%
Ningbo Decko Metal Products Trade Co., Ltd.	55.75%
Ningbo Haifa Metal Works Co., Ltd.	55.75%
Ningbo HaiFa Office Equipment Co., Ltd.	55.75%
Ningbo TLT Metal Products Co., Ltd.	55.75%