



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Cast Iron Soil Pipe from China

- On February 25, 2019, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of cast iron soil pipe from China.
- 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 subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of a CVD investigation, a countervailable subsidy is financial assistance from foreign governments 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.
- In the AD investigation, Commerce assigned a dumping rate of 235.93 percent to mandatory respondent Yuncheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd. (HengTong), the only responding mandatory respondent. Commerce determined a dumping rate of 235.93 percent for the China-wide entity, based entirely on a calculated rate. Commerce determined a dumping rate of 235.93 percent for all other exporters from China that Commerce found to be eligible for a separate rate.
- In the CVD investigation, Commerce calculated a subsidy rate of 14.69 percent for HengTong. Commerce assigned a subsidy rate of 109.27 percent for Kingway Pipe Co., Ltd., based on adverse facts available. Commerce determined a rate of 14.69 percent for all other Chinese producers and exporters.
- Upon publication of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect AD cash deposits equal to the applicable final weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, if the U.S. International Trade Commission (ITC) makes an affirmative injury determination, Commerce will instruct CBP to resume collection of CVD cash deposits equal to the applicable subsidy rates.
- The merchandise covered by these investigations is cast iron soil pipe, whether finished or unfinished, regardless of industry or proprietary specifications, and regardless of wall thickness, length, diameter, surface finish, end finish, or stenciling. The scope of this investigation includes, but is not limited to, both hubless and hub and spigot cast iron soil pipe. Cast iron soil pipe is nonmalleable iron pipe of various designs and sizes, and is generally distinguished from other types of nonmalleable cast iron pipe by the manner in which it is connected to cast iron soil pipe fittings.

Cast iron soil pipe is classified into two major types – hubless, and hub and spigot. Hubless cast iron soil pipe is manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials

(ASTM) specification A888, including any revisions to those specifications. Hub and spigot pipe has one or more hubs into which the spigot (plain end) of a fitting is inserted. All pipe meeting the physical description set forth above is covered by the scope of the investigation, whether or not produced according to a particular standard.

The subject imports are currently classified in subheading 7303.00.0030 of the Harmonized Tariff Schedule of the United States (HTSUS): Cast iron soil pipe. The HTSUS subheading and specifications are provided for convenience and customs purposes only; the written description of the scope of the investigation is dispositive.

- In 2017, imports of cast iron soil pipe from China were valued at \$11.5 million.
- The Final 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 number A-570-079 for the AD investigation and C-570-080 for the CVD investigation.

NEXT STEPS

- The ITC is scheduled to make its final determinations on or about April 8, 2019.
- If the ITC makes affirmative final determinations that imports of cast iron soil pipe from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING RATES:

COUNTRY	EXPORTER/PRODUCER	DUMPING RATES	CASH DEPOSIT RATES
China	Yuncheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd.	235.93%	235.93 %
	Separate Rate Companies*	235.93%	235.93 %
	China-Wide	235.93%	235.93 %

* Dalian Lino F.T.Z. Co., Ltd., Dalian Metal I/E Co., Ltd., Dinggin Hardware (Dalian) Co., Ltd., Hebei Metals & Engineering Products Trading Co., Ltd., Kingway Pipe Co., Ltd., Qinshui Shunshida Casting Co., Ltd., Shanxi Chen Xin Da Castings & Forgings Co., Ltd., Shanxi Xuanshi Industrial Group Co., Ltd., Shanxi Zhongrui Tianyue Trading Co., Ltd., Terrifour (Dalian) Trading Co., Ltd., Wuan City Feixiang Metal Product Co., Ltd. and Zezhou Golden Autumn Foundry Co., Ltd.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Yuncheng Jiangxian Economic Development Zone HengTong Casting Co. Ltd.	14.69%
	Kingway Pipe Co., Ltd.	109.27%
	All Others	14.69%

CASE CALENDAR:

EVENT	CVD	AD
Petitions Filed	January 26, 2018	January 26, 2018
DOC Initiation Date	February 15, 2018	February 15, 2018
ITC Preliminary Determinations	March 19, 2018	March 19, 2018
DOC Preliminary Determinations	June 25, 2018	August 24, 2018
DOC Final Determinations	February 22, 2019	February 22, 2019
ITC Final Determinations	April 8, 2019	April 8, 2019
Issuance of Orders*	April 15, 2019	April 15, 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 (the Act). For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

China	2015	2016	2017
Volume (metric tons)	13,634	20,147	15,695
Value (USD)	10,605,089	13,565,149	11,483,272

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7303.00.0030)