



FACT SHEET

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

- On June 26, 2018, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of cast iron soil pipe from China.
- 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 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.
- Commerce has calculated a preliminary subsidy rate of 13.11 percent for Yuncheng Jiangxian Economic Development Zone HengTong Casting Co. Ltd. Commerce has assigned a preliminary subsidy rate of 111.20 percent for Kingway Pipe Co., Ltd., based on adverse facts available. Commerce preliminarily determined a rate of 13.11 percent for all other Chinese producers and exporters.
- As a result of the affirmative preliminary determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The merchandise covered by this investigation 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 these investigations 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. Cast iron soil pipe 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 these investigations, 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 these investigations is dispositive.

- In 2017, imports of cast iron soil pipe from China were valued at \$11.5 million.
- The Preliminary Decision Memorandum 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 C-570-080.

NEXT STEPS

- Commerce is scheduled to announce its final determination on November 8, 2018, 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 cast iron soil pipe from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce’s or the ITC’s final determination is 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.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
China	Yuncheng Jiangxian Economic Development Zone HengTong Casting Co. Ltd.	13.11%
	Kingway Pipe Co., Ltd.	111.20%
	All Others	13.11%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	January 26, 2018
DOC Initiation Date	February 15, 2018
ITC Preliminary Determination	March 19, 2018
DOC Preliminary Determination	June 25, 2018
DOC Final Determination*	November 7, 2018
ITC Final Determination**	December 24, 2018
Issuance of Order***	December 31, 2019

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.

*This deadline may be extended under the governing statute.

**This will take place only in the event of a final affirmative determination from Commerce.

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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)