



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Cast Iron Soil Pipe Fittings from the People's Republic of China**

- On December 13, 2017, the Department of Commerce (Commerce) announced the preliminary results of the countervailing duty (CVD) investigation of imports of cast iron soil pipe fittings from the People's Republic of China (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 8.66 percent for mandatory respondent Shanxi Xuanshi Industrial Group Co., Ltd. and a preliminary subsidy rate of 12.72 percent for mandatory respondent Wor-Biz International Trading Co., Ltd. (Anhui). Commerce applied an adverse facts available rate of 102.31 percent for mandatory respondent Shijiazhuang Chengmei Import & Export Co., Ltd. because of its failure to respond to Commerce's request for information. Commerce preliminarily determined a rate of 10.37 percent for all other Chinese producers and exporters.
- 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 is the Cast Iron Soil Pipe Institute (IL), whose members are AB&I Foundry (CA), Charlotte Pipe & Foundry (NC), and Tyler Pipe (TX).
- The merchandise covered by this investigation is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains, and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe fittings are 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. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

The subject imports are normally classified in subheading 7307.11.0045 of the Harmonized Tariff

Schedule of the United States (HTSUS): Cast fittings of nonmalleable cast iron for cast iron soil pipe. The HTSUS subheading and specifications are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

- In 2016, imports of cast iron soil pipe fittings from China were valued at an estimated \$8.6 million.

**NEXT STEPS**

- Commerce aligned the deadlines for the CVD and antidumping duty investigations of cast iron soil pipe fittings from China. Accordingly, Commerce is scheduled to announce its final determination in the CVD investigation on or about April 24, 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 fittings 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	Shanxi Xuanshi Industrial Group Co., Ltd.	8.66 %
	Shijiazhuang Chengmei Import & Export Co., Ltd.	102.31%
	Wor-Biz International Trading Co., Ltd. (Anhui)	12.72%
	All Others	10.37%

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	July 13, 2017
DOC Initiation Date	August 2, 2017
ITC Preliminary Determination	August 28, 2017
DOC Preliminary Determination	December 11, 2017
DOC Final Determination*	April 24, 2018
ITC Final Determination**	June 8, 2018
Issuance of Order***	June 15, 2018

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.

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

## IMPORT STATISTICS:

CHINA	2014	2015	2016
Volume (metric tons)	6,648	5,018	7,585
Value (USD)	8,939,354	6,280,817	8,556,590

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7307.11.0045)