



## FACT SHEET

### **Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Certain Collated Steel Staples from the People's Republic of China**

- On November 5, 2019, the Department of Commerce (Commerce) announced an affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain collated steel staples 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 a CVD investigation, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods by 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 assigned a preliminary subsidy rate of 12.38 percent to mandatory respondent Zhejiang Best Nail Industrial Co., Ltd. Commerce assigned a preliminary subsidy rate of 156.99 percent to mandatory respondents Hai Sheng Xin Group Co., Ltd. and Ningbo Deli Stationary, based on adverse facts available for their failure to reply to Commerce's requests for information. The preliminary subsidy rate for all other Chinese producers and exporters is 12.38 percent.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of certain collated steel staples from China based on these preliminary rates.
- The petitioner is Kyocera Senco Industrial Tools, Inc. (Cincinnati, OH).
- The scope of this investigation is listed in Appendix I.
- In 2018, imports of certain collated steel staples from China were valued at an estimated \$88.8 million.
- The Preliminary Decision Memorandum is 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-570-113

## NEXT STEPS

- Commerce is scheduled to announce its final determination by March 18, 2020.

If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of certain collated steel staples from China materially injures, or threatens 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	Zhejiang Best Nail Industrial Co., Ltd.	12.38%
	Hai Sheng Xin Group Co., Ltd.	156.99%
	Ningbo Deli Stationery	156.99%
	All Others	12.38%

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	June 6, 2019
DOC Initiation Date	June 26, 2019
ITC Preliminary Determination	July 25, 2019
DOC Preliminary Determination	November 4, 2019
DOC Final Determination*	March 17, 2020
ITC Final Determination**	May 1, 2020
Issuance of Order***	May 8, 2020

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	2016	2017	2018
Volume (metric tons)	52,507	57,712	63,641
Value (USD)	68,239,599	73,434,381	88,750,073

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheading 8305.20.0000. Imports of certain collated staples enter under an HTSUS subheading which is a large basket category and covers a significant amount of non-subject merchandise.

## Appendix I:

- The merchandise covered by the scope of this investigation is certain collated steel staples. Certain collated steel staples subject to this investigation is made from steel wire having a nominal diameter from 0.0355 inch to 0.0830 inch, inclusive, and have a nominal leg length from 0.25 inch to 3.0 inches, inclusive, and a nominal crown width from 0.187 inch to 1.125 inch, inclusive.

Certain collated steel staples may be manufactured from any type of steel and are included in the scope of the investigation regardless of whether they are uncoated or coated, and regardless of the type or number of coatings, including but not limited to coatings to inhibit corrosion.

Certain collated steel staples may be collated using any material or combination of materials, including but not limited to adhesive, glue, and adhesive film or adhesive or paper tape.

Certain collated steel staples are generally made to American Society for Testing and Materials (ASTM) specification ASTM F1667-18a, but can also be made to other specifications.

Excluded from the scope of this investigation are any carton-closing staples covered by the scope of the existing antidumping duty order on Carton-Closing staples from the People's Republic of China. See Carton-Closing Staples from the People's Republic of China: Antidumping Duty Order, 83 FR 20792 (May 8, 2018).

Certain collated steel staples subject to this investigation are currently classifiable under subheading 8305.20.00.00 of the Harmonized Tariff Schedule of the United States (HTSUS).

While the HTSUS subheading and ASTM specification are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.