



FACT SHEET

Commerce Issues Affirmative Preliminary Determination in the Countervailing Duty Investigation of Imports of Refillable Stainless Steel Kegs from the People's Republic of China

- On April 1, 2019, the Department of Commerce (Commerce) announced the affirmative preliminary determination of the countervailing duty (CVD) investigation of imports of refillable stainless steel kegs 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 preliminary subsidy rates of 15.78 percent and 144.30 percent to the mandatory respondents Ningbo Master International Trade Co., Ltd. and Penglai Jinfu Stainless Steel Products Co., Ltd., respectively. Commerce also assigned preliminary subsidy rates of 15.78 percent to cooperative quantity and value questionnaire (Q&V) respondents and all-others, and 144.30 percent to non-cooperative Q&V respondents.
- Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits from importers of refillable stainless steel kegs from China based on these preliminary rates.
- The petitioner is American Keg Company, LLC (Pottstown, PA).
- The merchandise covered by this investigations are kegs, vessels, or containers that are approximately cylindrical in shape, made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight, with or without other elements), and that are compatible with a "D Sankey" extractor (commonly known as a "D Coupler" or "Sankey") (refillable stainless steel kegs) with a nominal liquid volume capacity of 10 liters or more, regardless of the type of finish, gauge, thickness, or grade of stainless steel, and whether or not covered by or encased in other materials. Refillable stainless steel kegs may be imported assembled or unassembled, with or without all components (including spears, couplers or taps, necks, collars, and valves), and be filled or unfilled.

"Unassembled" or "unfinished" refillable stainless steel kegs include drawn stainless steel cylinders that have been welded to form the body of the keg and welded to an upper (top) chime and/or lower (bottom) chime. Unassembled refillable stainless steel kegs may or may not be welded to a neck, may or may not have a valve assembly attached, and may be otherwise complete except for testing, certification, and/or marking.

Subject merchandise also includes refillable stainless steel kegs that have been further processed in a third country, including but not limited to, attachment of necks, collars, spears or valves, heat treatment, pickling, passivation, painting, testing, certification or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope refillable stainless steel keg.

Specifically excluded are the following:

- (1) vessels or containers that are not approximately cylindrical in nature (*e.g.*, box, “hopper” or “cone” shaped vessels);
- (2) stainless steel kegs, vessels, or containers that have either a “ball lock” valve system or a “pin lock” valve system (commonly known as “Cornelius,” “corny” or “ball lock” kegs);
- (3) necks, spears, couplers or taps, collars, and valves that are not imported with the subject merchandise; and
- (4) stainless steel kegs that are filled with beer, wine, or other liquid and that are designated by the Commissioner of Customs as Instruments of International Traffic within the meaning of section 332(a) of the *Tariff Act of 1930*, as amended.

The merchandise covered by this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7310.10.0010, 7310.00.0050, 7310.29.0025, and 7310.29.0050.

These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of this investigation is dispositive.

- In 2017, imports of refillable stainless steel kegs from China were valued at an estimated \$18.1 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-570-094.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about August 13, 2019.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of refillable stainless steel kegs 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	Ningbo Master International Trade Co., Ltd.	15.78 %
	Penglai Jinfu Stainless Steel Products Co., Ltd.	144.30 %
	Non-Cooperative Q&V Respondents	144.30 %
	Cooperative Q&V Respondents and All-Others	15.78 %

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	September 20, 2018
DOC Initiation Date	October 10, 2018
ITC Preliminary Determination	November 9, 2018
DOC Preliminary Determination	March 29, 2019
DOC Final Determination*	August 12, 2019
ITC Final Determination**	September 26, 2019
Issuance of Order***	October 3, 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.

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

IMPORT STATISTICS:

CHINA	2015	2016	2017
Quantity (number)	258,895	209,207	294,155
Value (USD)	18,141,682	14,098,140	18,064,443

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 7310.10.0010). This HTSUS subheading may cover both subject and non-subject merchandise. Imports of refillable stainless steel kegs may also enter under HTSUS subheadings 7310.00.0050, 7310.29.0025, and 7310.29.0050. However, these HTSUS subheadings may cover a significant amount of non-subject merchandise; therefore these HTSUS subheadings have not been used for purposes of reporting the above import statistics.