



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Steel Concrete Reinforcing Bar from Turkey

- On February 22, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of steel concrete reinforcing bar (rebar) from Turkey.
- The CVD law provides U.S. business and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious 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 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.
- Commerce calculated a preliminary subsidy rate of 3.47 percent for the mandatory respondent Habaş Sinai ve Tibbi Gazlar Istihsal Endüstrisi A.Ş. (Habas).
- There is currently in place an existing CVD order on rebar from the Republic of Turkey. *Steel Concrete Reinforcing Bar From the Republic of Turkey*, 79 Fed. Reg. 65,926 (Dep't Commerce Nov. 6, 2014) (2014 Turkey CVD Order). The scope of this on-going CVD investigation on rebar from Turkey covers only rebar produced and/or exported by those companies that are excluded from the 2014 Turkey CVD Order. At the time of the issuance of the 2014 Turkey CVD Order, Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. was the only excluded Turkish rebar producer or exporter. Therefore, although we have established an “all others rate” in this investigation, there currently is no Turkish rebar producer or exporter that would be subject to it.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on this preliminary rate.
- The petitioners are the Rebar Trade Action Coalition and its individual members: Byer Steel Group, Inc. (OH), Commercial Metals Company (TX), Gerdau Ameristeel U.S. Inc. (FL), Nucor Corporation (NC), and Steel Dynamics, Inc. (IN).
- The merchandise subject to this investigation is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (*e.g.*, mill mark, size, or grade) and which has been subjected to an elongation test.
- The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the rebar.

- Specifically excluded are plain rounds (*i.e.*, nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test.
- The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000.
- HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.
- In 2015, imports of steel concrete reinforcing bar from Turkey were valued at an estimated \$674.40 million.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about May 16, 2017, 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 steel concrete reinforcing bar from Turkey 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 | EXPORTERS/PRODUCERS | SUBSIDY RATES |
|---------|--|---------------|
| Turkey | Habaş Sinai ve Tibbi Gazlar İstihsal Endüstrisi A.Ş. (Habas) | 3.47% |
| | All others | 3.47% |

CASE CALENDAR:

| EVENT | DATE |
|-------------------------------|--------------------|
| Petition Filed | September 20, 2016 |
| DOC Initiation Date | October 11, 2016 |
| ITC Preliminary Determination | November 4, 2016 |
| DOC Preliminary Determination | February 21, 2017 |
| DOC Final Determination | May 15, 2017 |
| ITC Final Determination** | June 28, 2017 |
| Issuance of Order*** | July 5, 2017 |

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. These deadlines may be extended under certain circumstances.

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

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

IMPORT STATISTICS:

| TURKEY | 2013 | 2014 | 2015 |
|----------------------|-------------|-------------|-------------|
| Volume (metric tons) | 650,049 | 890,130 | 1,474,457 |
| Value (USD) | 381,283,433 | 520,527,898 | 674,398,479 |

Source: U.S. Census Bureau, accessed through Global Trade Atlas (HTSUS 7213.10.0000, 7214.20.0000, and 7228.30.8010).

Imports of steel concrete reinforcing bar may also enter under HTSUS 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000. These HTSUS subheadings are basket categories that may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics above.

Note: Commerce has an existing CVD order on steel concrete reinforcing bar from Turkey. The above import statistics are based on HTSUS subheadings that may also cover products subject to the existing CVD order.