



FACT SHEET

Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China

- On September 16, 2014, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of boltless steel shelving units prepackaged for sale (boltless steel shelving) from the People's Republic of China (China).
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner for these investigations is Edsal Manufacturing Company, Inc. (IL).
- The scope of these investigations covers boltless steel shelving units prepackaged for sale, with or without decks (boltless steel shelving). The term "prepackaged for sale" means that, at a minimum, the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (*e.g.*, two posts). The term "boltless" refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving as well as by other trade names. The term "deck" refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical

support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;¹
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheadings 9403.20.0018 and 9403.20.0020, but may also enter through HTSUS 9403.10.0040. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of these investigations is dispositive.

- In 2013, imports of boltless steel shelving from China were valued at an estimated \$1.97 billion. The value of imports is based on data from harmonized tariff schedule basket categories that cover a wide variety of metal furniture and, thus, may overstate the import value.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before October 10, 2014.
- If the ITC determines that there is a reasonable indication that imports of boltless steel shelving from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD and AD determinations in November 2014 and February 2015, respectively, unless the statutory deadlines are extended. If the ITC's preliminary determinations are negative, the investigations will be terminated.

¹ The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

Alleged Dumping Margin:

COUNTRY	DUMPING MARGIN
China	40 - 211 percent

Estimated Subsidy Rate:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
Petitions Filed	August 26, 2014	August 26, 2014
DOC Initiation Date	September 15, 2014	September 15, 2014
ITC Preliminary Determinations*	October 10, 2014	October 10, 2014
DOC Preliminary Determinations	February 2, 2015	November 19, 2014
DOC Final Determinations	April 20, 2015†	February 2, 2015
ITC Final Determinations**	June 2, 2015	March 19, 2015
Issuance of Orders***	June 9, 2015	March 26, 2015

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). For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

* If the ITC makes negative preliminary determinations of injury, the investigations are terminated.

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

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

IMPORT STATISTICS:

CHINA	2011	2012	2013
Value (USD)	1,691,628,000	1,854,300,000	1,970,891,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 9403.20.0018 and 9403.20.0020). These HTSUS subheadings are basket categories and cover a wide variety of both subject merchandise and non-subject merchandise.

Therefore, the import statistics above may vary significantly from actual imports of boltless steel shelving.

Imports of boltless steel shelving may also enter under HTSUS subheading 9403.10.0040, which also may cover significant amounts of non-subject merchandise. Therefore, this HTSUS subheading has not been used for purposes of reporting import statistics.

Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.