



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China

- On September 2, 2014, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of carbon and certain alloy steel wire rod from the People's Republic of China (China).
- The AD law provides U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious dumping 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.
- Commerce preliminarily determined that carbon and certain alloy steel wire rod from China has been sold in the United States at dumping margins ranging from 106.19 percent to 110.25 percent.
- Mandatory respondents Benxi Iron and Steel Group Imp. and Exp. Corp. Ltd. and Tangshan Iron and Steel Group Co. Ltd. failed to respond to Commerce's requests for information and were deemed to be part of the China-wide entity. Accordingly, they received a preliminary dumping margin of 110.25 percent. Separate rate applicants Hunan Valin Xiangtan Iron & Steel Co., Ltd. (Hunan Valin), Jiangsu Shagang International Trade Co., Ltd. (Shagang), and Rizhao Steel Wire Co., Ltd. (Rizhao) received a preliminary dumping margin of 106.19 percent. All other producers/exporters in China were deemed to be part of the China-wide entity and received a preliminary dumping margin of 110.25 percent.
- The preliminary rates for all exporters other than Hunan Valin, Shagang, and Rizhao were based on adverse facts available because these exporters either did not demonstrate their eligibility for a separate rate, or did not respond to Commerce's request for information.
- Commerce determined preliminarily that critical circumstances exist with respect to imports of carbon and certain alloy steel wire rod from all exporters except Hunan Valin, Shagang, and Rizhao.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on the above-referenced preliminary AD rates.
- Based on Commerce's preliminarily critical circumstances finding, Commerce will instruct CBP to require cash deposits on any unliquidated entries of the subject merchandise from exporters other than Hunan Valin, Shagang, and Rizhao entered, or withdrawn from warehouse for consumption, on or after the date 90 days prior to the date of publication of Commerce's preliminary determination in the Federal Register.

- The petitioners for this investigation are ArcelorMittal USA LLC (IL), Charter Steel (WI), Evraz Pueblo (formerly Evraz Rocky Mountain Steel) (CO), Gerdau Ameristeel US Inc. (FL), Keystone Consolidated Industries, Inc. (TX), and Nucor Corporation (NC).
- The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope. The products under investigation are currently classifiable under HTSUS subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.
- In 2013, imports of carbon and certain alloy steel wire rod from China were valued at an estimated \$313 million.

NEXT STEPS

- Commerce is presently scheduled to announce its final determination on or about November 13, 2014.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of carbon and certain alloy steel wire rod from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce's or the ITC's final determination is negative, no AD order will be issued. The ITC is scheduled to make its final injury determination in December 2014.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Rizhao Steel Wire Co., Ltd./Rizhao Steel Wire Co., Ltd.	106.19%
	Hunan Valin Xiangtan Iron & Steel Co., Ltd./Hunan Valin Xiangtan Iron & Steel Co., Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Zhangjiagang Shajing Steel Co. Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Zhangjiagang Runzhong Steel Co., Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Zhangjiagang Hongxing Gaoxian Co., Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Zhangjiagang Rongsheng Steel-Making Co., Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Jiangsu Runzhong High-Tech Co., Ltd.	106.19%
	Jiangsu Shagang International Trade Co., Ltd./Zhangjiagang Hongchang Gaoxian Co., Ltd.	106.19%
	China-Wide Rate	110.25%

CASE CALENDAR:

EVENT	DATE
Petitions Filed	January 31, 2014
DOC Initiation Date	February 20, 2014
ITC Preliminary Determination	March 25, 2014
DOC Preliminary Determination	August 29, 2014
DOC Final Determination	November 12, 2014
ITC Final Determination*	December 27, 2014
Issuance of Order**	January 3, 2014

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances. Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

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

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

IMPORT STATISTICS:

CHINA	2011	2012	2013
Volume (metric tons)	130	219,500	561,400
Value (USD)	143,000	137,614,000	312,998,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, and 7227.90.6085). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise. Carbon and alloy steel wire rod may also enter under HTSUS 7213.99.0090 and 7227.90.6090, which may cover significant amounts of non-subject merchandise. Therefore, these HTSUS subheadings have not been used for purposes of reporting import statistics. Note: In 2014, HTSUS subheading 7227.90.6085 was replaced with four new subheadings, two of which cover subject merchandise (7227.90.6030 and 7227.90.6035).