
Hughes Hubbard & Reed

New Antidumping and Countervailing Duty Petitions on Carbon and Alloy Steel Threaded Rod from China, India, Taiwan, and Thailand

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February 25, 2019 – On February 21, 2019, Vulcan Steel Products Inc. filed antidumping (“AD”) and countervailing (“CVD”) petitions with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”). The petitions seek imposition of AD duties on imports of carbon and alloy steel threaded rod from China, India, Taiwan, and Thailand, as well as CVD duties on these imports from China and India.

Under U.S. law, a domestic industry can petition the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., “dumped”). A domestic industry can also petition the initiation of a CVD investigation of alleged subsidization of foreign producers by a foreign government. Additional duties can be imposed if DOC determines that imported goods are “dumped” and/or subsidized and if the ITC also determines that the domestic industry is materially injured or threatened with material injury by reason of subject imports.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries on or after the date DOC’s preliminary determination is published in the Federal Register. The preliminary AD/CVD rates can change in the final DOC determination, especially if foreign producers and their governments participate fully in the investigations.

Scope

The products covered by these investigations include:

The merchandise covered by the scope of these investigations is carbon and alloy steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Steel threaded rod is normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the steel threaded rod, bar, or studs subject to these investigations are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Steel threaded rod is normally produced to American Society for Testing and Materials ("ASTM") specifications ASTM A36, ASTM A193 B7/B7m, ASTM A193 B16, ASTM A307, ASTM A320 L7/L7M, ASTM A320 L43, ASTM A354 BC and BD, ASTM A449, ASTM F1554-36, ASTM F1554-55, ASTM F1554 Grade 105, American Society of Mechanical Engineers ("SME") specification ASME B18.31.3, and American Petroleum Institute ("API") specification API 20E. All steel threaded rod meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the threaded rod.

Carbon and alloy steel threaded rod are also included in the scope of this investigation whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of these investigations are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on Certain Steel Threaded Rod from the People's Republic of China. *See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 Fed. Reg. 17,154 (Dep't Commerce Apr. 14, 2009).

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Subject merchandise may also enter under subheadings 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

Foreign Producers and Exporters of Subject Merchandise

Attachment 1 provides a list of foreign producers of subject merchandise as identified by the petitioner.

U.S. Importers of Subject Merchandise

Attachment 2 provides a list of U.S. importers of the subject merchandise as identified by the Petitioner.

Alleged Margins of Dumping/Subsidization

Petitioner alleges the following dumping margins:

China: 53.57% to 55.60%

India: 25.43% to 28.34%

Taiwan: 32.10%

Thailand: 20.3%

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

No specific subsidy margins are included in the petition.

Potential Trade Impact

According to the petitions, U.S. imports of the subject merchandise totaled:

U.S. Imports of Carbon and Alloy Steel Threaded Rod

U.S. Imports for Consumption

Value, \$ Actual, Landed-Duty Paid

Country	2016	2017	Jan-Nov 2017	Jan-Nov 2018	2018e
China	51,556,294	73,523,015	66,902,847	100,195,694	109,304,393
India	26,515,623	32,025,790	29,383,032	35,642,758	38,883,009
Taiwan	43,349,601	49,012,061	45,500,499	49,699,795	54,217,958
Thailand	5,201,937	4,932,824	4,433,335	5,605,107	6,114,662
Subject	126,623,455	159,493,690	146,219,713	191,143,354	208,520,023
Other	105,546,749	100,927,014	92,464,996	95,954,369	104,677,493
Total	232,170,204	260,420,704	238,684,709	287,097,723	313,197,516

Thousand Pounds

Country	2016	2017	Jan-Nov 2017	Jan-Nov 2018	2018e
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China	64,305	94,292	86,925	114,960	125,411
India	61,126	70,322	64,620	66,899	72,981
Taiwan	42,105	38,252	35,495	40,640	44,334
Thailand	12,096	10,245	9,251	10,776	11,756
Subject	179,633	213,112	196,291	233,276	254,483
Other	42,510	38,784	35,847	34,590	37,734
Total	222,142	251,896	232,137	267,866	292,217

Estimated Schedule of Investigations

2/21/2019	Petition filed
4/7/2019	ITC preliminary injury determination
5/17/2019	DOC preliminary CVD determination, if not postponed
7/21/2019	DOC preliminary CVD determination, if fully postponed
7/31/2019	DOC preliminary AD determination, if not postponed
9/19/2019	DOC preliminary AD determination, if fully postponed
2/8/2020	DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed
3/31/2020	ITC final injury determination, if DOC's determinations are fully postponed
4/14/2020	AD/CVD orders published

If you have any questions about the petitions, please contact the experienced attorneys in HHR's international trade group.

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