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New Antidumping and Countervailing Duty Petitions on Certain Non-Refillable Steel Cylinders from China

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Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

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March 27, 2020 – On March 27, 2020, Worthington Industries of Columbus, Ohio (“Petitioner”) filed petitions with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”), seeking antidumping (“AD”) and countervailing (“CVD”) duties on imports of Certain Non-Refillable Steel Cylinders from China.

These petitions follow other cases involving imports of similar products. In May 2018, Worthington and other domestic producers filed petitions against imports of Steel Propane Cylinders from China, Taiwan, and Thailand, which resulted in AD orders against China and Thailand. Petitioners withdrew the case against Taiwan for lack of interest in pursuing duties on imports from that country. In addition, AD and CVD orders have been in place since June 2012 on imports of High Pressure Steel Cylinders from China. As reported previously [here](#), it has been a growing trend for petitioning domestic industries to bring multiple cases on similar products or to expand coverage to imports from additional countries.

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 such 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 merchandise covered by these petitions is certain nonrefillable steel cylinders meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation ("USDOT") Specification 39, Transport Canada Specification 39M, or United Nations pressure receptacle standard ISO 11118 and otherwise meeting the description provided below ("nonrefillable steel cylinders"). The subject non-refillable steel cylinders are portable and range from 300-cubic inch (4.9 liter) water capacity to 1,526-cubic inch (25 liter) water capacity. Subject non-refillable steel cylinders may be imported with or without a valve and/or pressure release device and may be filled or unfilled at the time of importation.

Specifically excluded are seamless non-refillable steel cylinders. Also excluded from the scope of these petitions are non-refillable steel cylinders filled at the time of importation whose content is subject to another antidumping and/or countervailing duty order, such as Hydrofluorocarbon Blends and 1,1,1,2-Tetrafluoroethane (R-1344) from China.

The merchandise subject to these petitions is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). The merchandise may also be classified under HTSUS statistical reporting number 7310.29.0025.

Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exports, as identified by the petitioners, is provided in [Attachment 1](#).

U.S. Importers of Subject Merchandise

A list of U.S. importers, as identified by the petitioners, is provided in [Attachment 2](#).

Alleged Margins of Dumping/Subsidization

Petitioner alleges a dumping margin of 60.78 percent.

DOC generally assigns duties at this alleged dumping rate to exporters that fail to cooperate with the investigation. In addition, China is treated as a non-market economy in antidumping proceedings. Producers and exporters that are not investigated individually are assumed to be controlled by the Chinese government and therefore receive the China-wide rate (also based on the rate alleged in the petition). Companies that demonstrate independence from the government may receive a "separate rate" based on the rates calculated for companies selected as mandatory respondents, which is often more favorable than the China-wide rate.

No specific subsidy rates are included in the petition.

Potential Trade Impact

According to official U.S. import statistics, \$71.8 million of the subject merchandise was imported into the United States in 2019.

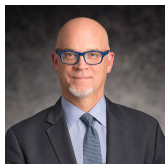
Estimated Schedule of Investigations

3/27/2020 – Petition filed
5/11/2020 – ITC preliminary injury determination
5/31/2020 – DOC preliminary CVD determination, if not postponed
8/4/2020 – DOC preliminary CVD determination, if fully postponed
8/14/2020 – DOC preliminary AD determination, if not postponed
10/3/2020 – DOC preliminary AD determination, if fully postponed
2/22/2021 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed
4/15/2021 – ITC final injury determination, if DOC’s determinations are fully postponed
4/22/2021 – AD/CVD orders published

In an effort to prevent the spread of the Coronavirus, DOC and ITC have issued revised procedures for AD/CVD proceedings. Cases are proceeding along typical timelines, but neither agency is holding in-person hearings or conferences.

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

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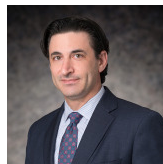
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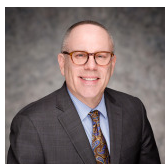
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