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# Hughes Hubbard & Reed

## New Antidumping and Countervailing Duty Petitions on Collated Steel Staples from South Korea, China, and Taiwan

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**June 7, 2019** – On June 6, 2019, Kyocera Senco Industrial Tools, Inc. of Cincinnati, Ohio (“Petitioner”) 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 allege injury to the domestic industry that produces collated steel staples by reason of imports from South Korea, China, and Taiwan that are sold at less than fair value. The petitions also allege that imports from China are unfairly subsidized.

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 products covered by these investigations include collated steel staples that are:

- Made from steel wire having a nominal diameter from 0.0345 inch to 0.0830 inch, inclusive, have a nominal leg length from 0.25 inch to 3.0 inches, inclusive, and a nominal crown width from 0.187 inch to 1.125 inch, inclusive.
- Manufactured from any type of steel, regardless of whether they are uncoated or coated, and regardless of the type or number of coatings, including but not limited to coatings to inhibit corrosion.
- Collated using any material or combination of materials, including but not limited to adhesive, glue, and adhesive film or adhesive or paper tape.
- Generally made to American Society for Testing and Materials ("ASTM") specification ASTM F1667-17, but can also be made to other specifications.
- Classifiable under subheading 8305.20.00.00 of the Harmonized Tariff Schedule of the United States ("HTSUS").

### **Foreign Producers and Exporters of Subject Merchandise**

Attachment 1 lists the foreign producers of the subject merchandise as identified by the Petitioner.

### **U.S. Importers of Subject Merchandise**

Attachment 2 lists U.S. importers of the subject merchandise as identified by the Petitioner.

### **Alleged Margins of Dumping/Subsidization**

Petitioner alleges dumping margins of:

China: 119.68% - 122.92%

South Korea: 10.23% - 14.25%

Taiwan: 47.35%

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 official U.S. import statistics, 74,433 short tons valued at \$111,025,000 of the subject merchandise was imported into the United States in 2018.

### **Estimated Schedule of Investigations**

6/6/2019 – Petition filed

7/21/2019 – ITC preliminary injury determination

8/10/2019 – DOC preliminary CVD determination, if not postponed

10/14/2019 – DOC preliminary CVD determination, if fully postponed

10/24/2019 – DOC preliminary AD determination, if not postponed

12/13/2019 – DOC preliminary AD determination, if fully postponed

5/3/2020 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed

6/24/2020 – ITC final injury determination, if DOC's determinations are fully postponed

7/8/2020 – 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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