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# Hughes Hubbard & Reed

## New Antidumping and Countervailing Duty Petitions on Common Alloy Aluminum Sheet from Eighteen Countries

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**March 10, 2020** – On March 9, 2020, a group of American aluminum producers, including Alaris Rolled Products, Inc., Arconic, Inc., Constellium Rolled Products Ravenswood, LLC, JW Aluminum Company, Novelis Corporation, and Texarkana Aluminum, Inc., filed petitions with the U.S. Department of Commerce (“DOC”) and the U.S. International Trade Commission (“ITC”), to impose additional duties on imports of Common Alloy Aluminum Sheet. The petitions seek antidumping (“AD”) duties on imports from Bahrain, Brazil, Croatia, Egypt, Germany, Greece, India, Indonesia, Italy, South Korea, Oman, Romania, Serbia, Slovenia, South Africa, Spain, Taiwan, and Turkey, as well as countervailing duties (“CVD”) on imports from Bahrain, Brazil, India, and Turkey.

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 the imported goods.

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

Aluminum common alloy sheet (common alloy sheet), which is a flat-rolled aluminum product having a thickness of 6.3 mm or less, but greater than 0.2 mm, in coils or cut-to-length, regardless of width. Common alloy sheet within the scope of these investigations includes both not clad aluminum sheet, as well as multi-alloy, clad aluminum sheet. With respect to not clad aluminum sheet, common alloy sheet is manufactured from a 1XXX-, 3XXX-, or 5XXX-series alloy as designated by the Aluminum Association.

With respect to multi-alloy, clad aluminum sheet, common alloy sheet is produced from a 3XXX-series core, to which cladding layers are applied to either one or both sides of the core.

Common alloy sheet may be made to ASTM specification B209-14, but can also be made to other specifications. Regardless of specification, however, all common alloy sheet meeting the scope description is included in the scope. Merchandise subject to these investigations ("subject merchandise") includes common alloy sheet that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the common alloy sheet.

Excluded from the scope of these investigations is aluminum can stock, which is suitable for use in the manufacture of aluminum beverage cans, lids of such cans, or tabs used to open such cans. Aluminum can stock is produced to gauges that range from 0.200 mm to 0.292 mm, and has an H-19, H-4l, H-48, or H-391 temper. In addition, aluminum can stock has a lubricant applied to the flat surfaces of the can stock to facilitate its movement through machines used in the manufacture of beverage cans. Aluminum can stock is properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7606.12.3045 and 7606.12.3055.

Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set for the above.

Common alloy sheet is currently classifiable under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3096, 7606.12.6000, 7606.91.3095, 7606.91.6095, 7606.92.3035, and 7606.92.6095. Further, merchandise that falls within the scope of these investigations may also be entered into the United States under HTSUS subheadings 7606.11.3030, 7606.12.3015, 7606.12.3025, 7606.12.3035, 7606.12.3091, 7606.91.3055, 7606.91.6055, 7606.92.3025, 7606.92.6055, 7607.11.9090.

### **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**

Petitioners allege the following dumping margins:

Bahrain	56.98%
Brazil	30.23% - 44.20%
Croatia	32.01%
Egypt	31.5%
Germany	37.22%
Greece	61.25%
India	122.8% - 151.0%
Indonesia	32.12%
Italy	28.97%
Oman	15.90% - 62.80%
Romania	56.22%
Serbia	40.61%
Slovenia	30.88%
South Africa	78.25%
South Korea	41.88%
Spain	25.26%
Taiwan	27.22%
Turkey	42.45%

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 petition, almost \$2 billion of the subject merchandise was imported into the United States in 2019:

Germany	\$276,551,152
Bahrain	\$231,233,076
Oman	\$188,204,840
Taiwan	\$140,723,349
Indonesia	\$134,282,001
India	\$118,698,107
Turkey	\$118,458,449
South Korea	\$117,068,152
South Africa	\$114,532,261
Greece	\$97,992,655
Brazil	\$94,091,390
Italy	\$82,011,392
Spain	\$55,239,850
Egypt	\$41,802,963
Slovenia	\$34,126,417
Romania	\$28,377,249
Croatia	\$24,212,403
Serbia	\$9,301,800
<b>Total</b>	<b>\$1,906,907,506</b>

### **Estimated Schedule of Investigations**

3/9/2020 – Petition filed

3/30/2020 – ITC Staff Conference

4/23/2020 – ITC preliminary injury determination

5/13/2020 – DOC preliminary CVD determinations, if not postponed

7/17/2020 – DOC preliminary CVD determinations, if fully postponed

7/27/2020 – DOC preliminary AD determinations, if not postponed

9/15/2020 – DOC preliminary AD determinations, if fully postponed

2/4/2021 – DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed

3/28/2021 – ITC final injury determination, if DOC's determinations are fully postponed

4/4/2021 – AD/CVD orders published

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

## **Related People**



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