



FACT SHEET

Commerce Finds Dumping of Imports of Grain-Oriented Electrical Steel from the People's Republic of China, the Republic of Korea, and the Russian Federation and Countervailable Subsidization of Imports of Grain-Oriented Electrical Steel from the People's Republic of China

- On September 25, 2014, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of grain-oriented electrical steel (GOES) from the People's Republic of China (China), the Republic of Korea (Korea), and the Russian Federation (Russia), and the countervailing duty (CVD) investigation of imports of GOES from China.
- The AD and CVD laws provide U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization 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. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of GOES from China have been sold in the United States at a dumping margin of 159.21 percent, which is based on adverse facts available.
- Commerce determined that imports of GOES from Korea have been sold in the United States at a dumping margin of 3.68 percent.
- Commerce determined that imports of GOES from Russia have been sold in the United States at dumping margins ranging from 68.98 percent to 119.88 percent, which is based on adverse facts of available.
- Commerce also determined that imports of GOES from China have received countervailable subsidies at a rate of 127.69 percent, which is based on adverse facts of available.
- In the China AD investigation, Baoshan Iron & Steel Co., Ltd. (Baoshan), the sole mandatory respondent, failed to cooperate by not acting to the best of its ability. As a result, Commerce considered Baoshan to be part of the China-wide entity and assigned the China-wide entity final dumping margin based on adverse facts available of 159.21 percent.
- In the Korea AD investigation, the sole mandatory respondent, POSCO, received a final dumping margin of 3.68 percent. All other producers/exporters in Korea received a final dumping margin of 3.68 percent.

- In the Russia AD investigation, the sole mandatory respondent, OJSC Novolipetsk Steel/VIZ-Steel (NLMK), failed to cooperate by not acting to the best of its ability. As a result, Commerce assigned NLMK a dumping margin based on adverse facts available of 119.88 percent. All other producers/exporters in Russia received a final dumping margin of 68.98 percent.
- In the China CVD investigation, Baoshan and the Government of China failed to cooperate by not acting to the best of its ability. As a result, Commerce relied on adverse facts available and assigned Baoshan, the sole mandatory respondent, a final subsidy rate of 127.69 percent. All other producers/exporters in China have been assigned a final subsidy rate of 127.69 percent.
- As a result of the final affirmative AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the final subsidy rate for the mandatory respondent and all other producers and exporters not selected for individual examination in this investigation. If the U.S. International Trade Commission (ITC) issues negative injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for AD or CVD duties in connection with these investigations. In such an event, all cash deposits already collected will be refunded.
- The petitioners for these investigations are AK Steel Corporation (OH), Allegheny Ludlum, LLC (PA), and the United Steelworkers (PA).
- On February 24, 2014, the petitioners timely filed allegations of critical circumstances in the Russia investigation. Commerce made an affirmative critical circumstances determination for Russia in the preliminary determination, and continue to do so in the final determination. As a result of the affirmative critical circumstances, we will instruct CBP to continue to impose provisional measures retroactively on entries of subject GOES up to 90 days prior to the preliminary determination.
- The scope of these investigations covers GOES. GOES is a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths. The GOES that is subject to these investigations is currently classifiable under subheadings 7225.11.0000, 7226.11.1000, 7226.11.9030, and 7226.11.9060 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

Excluded are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the HTSUS as a transformer part (*i.e.*, laminations).

- In 2013, imports of GOES from China, Korea, and Russia were valued at an estimated \$5.4 million, \$4.7 million, and \$3.4 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on or before November 10, 2014.
- If the ITC makes affirmative final determinations that imports of GOES from China, Korea, and/or Russia materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders, as applicable. If the ITC makes negative determinations of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
China	Baoshan Iron & Steel Co., Ltd.	159.21%
	China-Wide Rate	159.21%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Korea	POSCO	3.68%
	All Others	3.68%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Russia	OJSC Novoliopetsk Steel/VIZ-Steel	119.88%
	All Others	68.98%

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Baoshan Iron & Steel Co., Ltd.	127.69%
	China-Wide Rate	127.69%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petitions Filed	September 18, 2013	September 18, 2013
DOC Initiation Date	October 24, 2013	October 24, 2013
ITC Preliminary Determinations	November 20, 2013	November 26, 2013
DOC Preliminary Determinations	March 3, 2014	May 2, 2014
DOC Final Determinations	September 24, 2014	September 24, 2014
ITC Final Determinations	November 10, 2014†	November 10, 2014†
Issuance of Orders*	November 17, 2014†	November 17, 2014†

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in sections 733(b) and 735(a) of the Act. 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 final affirmative determinations by Commerce and the ITC.

IMPORT STATISTICS:

RUSSIA	2011	2012	2013
Volume (short tons)	765	3,919	1,420
Value (USD \$1000)	2,231	9,959	3,387
KOREA	2011	2012	2013
Volume (short tons)	2,402	4,444	2,195
Value (USD \$1000)	6,228	11,107	4,687
CHINA	2011	2012	2013
Volume (short tons)	59	322	2,089
Value (USD \$1000)	149	966	5,412