



## FACT SHEET

### **Commerce Finds Dumping of Imports of Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, and Countervailable Subsidization of Imports of Hot-Rolled Steel Flat Products from Brazil, Korea, and Turkey**

- On August 5, 2016, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) investigations of imports of certain hot-rolled steel flat products (hot-rolled steel) from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom, and the CVD investigations of imports of hot-rolled steel from Brazil, Korea, and Turkey.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the Australia investigation, Commerce found that dumping has occurred by mandatory respondent BlueScope Steel Ltd. at a dumping margin of 29.37 percent. Commerce calculated a final dumping margin of 29.37 percent for all other producers/exporters in Australia.
- In the Brazil AD investigation, Commerce found that dumping has occurred by mandatory respondents, Companhia Siderurgica Nacional (CSN) and Usinas Siderurgicas de Minas Gerais (Usiminas) at dumping margins of 33.14 percent and 34.28 percent, respectively. The rate for Usiminas was calculated using total adverse facts available because the company did not respond to Commerce's questionnaire. Commerce calculated a final dumping margin of 33.14 percent for all other producers/exporters in Brazil.
- In the Japan AD investigation, Commerce found that dumping has occurred by mandatory respondents JFE Steel Corporation and Nippon Steel & Sumitomo Metal Corporation at dumping margins of 7.51 percent and 4.99 percent, respectively. Commerce calculated a final dumping margin of 5.58 percent for all other producers/exporters in Japan.
- In the Korea AD investigation, Commerce found that dumping has occurred by mandatory respondents Hyundai Steel Company and POSCO at dumping margins of 9.49 percent and 3.89 percent, respectively. Commerce calculated a final dumping margin of 5.55 percent for all other producers/exporters in Korea.

- In the Netherlands AD investigation, Commerce found that dumping has occurred by mandatory respondent Tata Steel IJmuiden B.V at a dumping margin of 3.73 percent. Commerce calculated a final dumping margin of 3.73 percent for all other producers/exporters in the Netherlands.
- In the Turkey AD investigation, Commerce found that dumping has occurred by mandatory respondents Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S and Ereğli Demir ve Çelik Fabrikaları T.A.Ş./Iskendrun Demir ve Çelik T.A.Ş. at dumping margins of 7.15 percent and 3.66 percent, respectively. Commerce calculated a final dumping margin of 6.67 percent for all other producers/exporters in Turkey.
- In the United Kingdom AD investigation, Commerce found that dumping has occurred by mandatory respondent Tata Steel UK Ltd. at a dumping margin of 33.06 percent. Commerce calculated a final dumping margin of 33.06 percent for all other producers/exporters in the United Kingdom.
- In the Brazil CVD investigation, Commerce calculated subsidy rates of 11.30 and 11.09 percent, respectively, for mandatory respondents CSN and Usiminas. Commerce calculated a final subsidy rate of 11.20 percent for all other producers/exporters in Brazil.
- In the Korea CVD investigation, Commerce calculated a final subsidy rate of 3.89 percent for mandatory respondent Hyundai Steel Co., Ltd. For the other mandatory respondent, POSCO, Commerce calculated a subsidy rate of 57.04 percent based on adverse facts available because we were unable to verify the accuracy of certain key elements of POSCO's questionnaire response. Commerce calculated a final subsidy rate of 3.89 percent for all other producers/exporters in Korea.
- In the Turkey CVD investigation, Commerce calculated subsidy rates of 0.34 percent (*de minimis*) and 6.01 percent for mandatory respondents Colakoglu Dis Ticaret A.S. and Ereğli Demir ve Celik Fabrikalari T.A.S., respectively. All other producers/exporters in Turkey have been assigned a final subsidy rate of 6.01 percent.
- As a result of the affirmative final AD determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. For the Korea and Turkey CVD investigations, which both had negative preliminary determinations and affirmative final determinations, Commerce will instruct CBP to collect cash deposits equal to the applicable subsidy rates effective on the date of publication of the final determinations in the *Federal Register*. Further, as a result of the affirmative final CVD determination in the Brazil investigation, if the U.S. International Trade Commission (ITC) issues affirmative injury determinations, Commerce will order the resumption of the suspension of liquidation and will require cash deposits for CVD duties equal to the final subsidy rates established during the investigation, except where these rates are zero or *de minimis*. Commerce will also adjust the AD cash deposit rates by the amount of the CVD export subsidies, where appropriate. If the ITC issues negative final injury determinations, the investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all previously collected cash deposits will be refunded.
- Critical circumstances were alleged with respect to imports of hot-rolled steel from Australia, Brazil, Japan, and the Netherlands. On December 9, 2015, Commerce preliminarily found that critical circumstances exist with respect to certain exporters from Brazil and Japan, and continues to do so in

the final determinations. Where critical circumstances were found, CBP will be instructed to retroactively impose provisional measures on entries of hot-rolled steel effective 90 days prior to publication of the preliminary determinations in the *Federal Register*. Critical circumstances were not found with respect to imports of hot-rolled steel from Australia and the Netherlands.

- The petitioners for these investigations are AK Steel Corporation (OH), ArcelorMittal USA LLC (IL), Nucor Corporation (NC), SSAB Enterprises, LLC (IL), Steel Dynamics, Inc. (IN), and United States Steel Corporation (PA).
- The products covered by these investigations are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of thickness, and regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) 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 forth above unless the resulting measurement makes the product covered by the existing anti-dumping<sup>1</sup> or countervailing duty<sup>2</sup> orders on Certain Cut-To-Length Carbon Quality Steel Plate Products From the Republic of Korea (A-580-836; C-580-837), and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these investigations are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or

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<sup>1</sup> Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy, Japan and the Republic of Korea, 65 FR 6585 (February 10, 2000).

<sup>2</sup> Notice of Amended Final Determinations: Certain Cut-to-Length Carbon-Quality Steel Plate From India and the Republic of Korea; and Notice of Countervailing Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate From France, India, Indonesia, Italy, and the Republic of Korea, 65 FR 6587 (February 10, 2000).

- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, the substrate for motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the hot-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these investigations unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these investigations:

- Universal mill plates (*i.e.*, hot-rolled, flat-rolled products not in coils that have been rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, of a thickness not less than 4.0 mm, and without patterns in relief);
- Products that have been cold-rolled (cold-reduced) after hot rolling;<sup>3</sup>
- Ball bearing steels;<sup>4</sup>

<sup>3</sup> For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

<sup>4</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not

- Tool steels;<sup>5</sup> and
- Silico-manganese steels;<sup>6</sup>

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.90.00, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00.

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigations is dispositive.

- In 2015, imports of certain hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey and the United Kingdom were valued at an estimated \$122.5 million, \$252.6 million, \$314.7 million, \$649.5 million, \$208.4 million, \$181.7 million and \$197.1million, respectively.

## NEXT STEPS

- The ITC is scheduled to make its final injury determinations in the investigations of hot-rolled steel from Australia, Brazil, Japan, Korea (AD only), the Netherlands, Turkey (AD only) and the United Kingdom by September 19, 2016. Because the preliminary determination for the Turkey and Korea CVD investigations were negative, and the final determinations are affirmative, the ITC has 75 days to make its final injury determination, *i.e.*, October 18, 2016.
- If the ITC makes affirmative final determinations that imports hot-rolled steel from Australia, Brazil, Japan, Korea, the Netherlands, Turkey and/or the United Kingdom materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes negative determinations of injury, the investigations will be terminated.

## FINAL DUMPING MARGINS:

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more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>5</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>6</sup> Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Australia	BlueScope Steel Ltd.	29.37%
	All-Others	29.37%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT
Brazil	Companhia Siderurgica Nacional	33.14%	29.07%
	Usinas Siderurgicas de Minas Gerais	34.28%	30.51%
	All-Others	33.14%	29.07%

**NOTE:** The difference between the dumping margins and the cash deposit rates represents the adjustment for the export subsidies identified in the companion countervailing duty investigation of certain hot-rolled steel from Brazil.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Japan	JFE Steel Corporation	7.51%
	Nippon Steel & Sumitomo Metal Corporation	4.99%
	All-Others	5.58%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT
Korea	Hyundai Steel Company	9.49%	9.49%
	POSCO	3.89%	0.00%
	All-Others	5.55%	5.55%

**NOTE:** The difference between the dumping margins and the cash deposit rates represents the adjustment for the export subsidies identified in the companion countervailing duty investigation of certain hot-rolled steel from Korea.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
Netherlands	Tata Steel IJmuiden B.V.	3.73%
	All-Others	3.73%

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT
Turkey	Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S	7.15%	7.15%
	Ereğli Demir ve Çelik Fabrikaları T.A.Ş./Iskenderun Demir ve Çelik T.A.Ş.	3.66%	3.65%
	All-Others	6.67%	6.67%

**NOTE:** The difference between the dumping margins and the cash deposit rates represents the adjustment for the export subsidies identified in the companion countervailing duty investigation of certain hot-rolled steel from Turkey.

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS
United Kingdom	Tata Steel UK Ltd.	33.06%
	All-Others	33.06%

#### FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
Brazil	Companhia Siderurgica Nacional	11.30%
	Usinas Siderurgicas de Minas Gerais SA	11.09%
	All-Others	11.20%

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>Korea</b>	<b>POSCO and Daewoo International Corporation</b>	<b>57.04%</b>
	<b>Hyundai Steel Co., Ltd.</b>	<b>3.89%</b>
	<b>All-Others</b>	<b>3.89%</b>

<b>COUNTRY</b>	<b>EXPORTER/PRODUCER</b>	<b>SUBSIDY RATES</b>
<b>Turkey</b>	<b>Colakoglu Dis Ticaret A.S.</b>	<b>0.34%* (de minimis)</b>
	<b>Eregli Demir ve Celik Fabrikalari T.A.S.</b>	<b>6.01%</b>
	<b>All-Others</b>	<b>6.01%</b>

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries



**CASE CALENDAR:**

<b>EVENT</b>	<b>CVD INVESTIGATIONS</b>	<b>AD INVESTIGATIONS</b>
<b>Petition Filed</b>	<b>August 11, 2015</b>	<b>August 11, 2015</b>
<b>DOC Initiation Date</b>	<b>August 31, 2015</b>	<b>August 31, 2015</b>
<b>ITC Preliminary Determinations</b>	<b>September 25, 2015</b>	<b>September 25, 2015</b>
<b>DOC Preliminary Determinations</b>	<b>January 8, 2016</b>	<b>March 14, 2016</b>
<b>DOC Final Determinations</b>	<b>August 4, 2016</b>	<b>August 4, 2016</b>
<b>ITC Final Determinations</b>	<b>September 19, 2016</b>	<b>September 19, 2016</b>
<b>ITC Final Determination (Turkey and Korea CVD)</b>	<b>October 18, 2016</b>	<b>-</b>
<b>Issuance of Orders**</b>	<b>September 26, 2016</b>	<b>September 26, 2016</b>

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.

\*\*This will take place only in the event of final affirmative determinations by Commerce and the ITC.

## IMPORT STATISTICS:

<b>AUSTRALIA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	132,800	245,300	264,800
Value (USD)	73,214,000	143,796,000	122,479,000
<b>BRAZIL</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	45,700	240,000	516,800
Value (USD)	26,310,000	146,284,000	252,597,000
<b>JAPAN</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	398,000	466,600	424,800
Value (USD)	333,079,000	358,966,000	314,676,000
<b>KOREA</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	713,800	1,071,000	1,216,000
Value (USD)	467,208,000	678,792,000	649,452,000
<b>NETHERLANDS</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	368,200	468,300	380,600
Value (USD)	236,294,000	315,208,000	208,383,000
<b>TURKEY</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	43,400	366,400	342,100
Value (USD)	25,015,000	218,391,000	181,677,000
<b>UNITED KINGDOM</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Volume (metric tons)	78,200	181,000	255,300
Value (USD)	92,307,000	169,083,000	197,144,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, and 7226.91.80.00)

The above HTSUS subheadings may cover both subject and non-subject merchandise. Imports of hot-rolled steel flat products may also enter under 7210.90.90.00, 7211.90.00.00, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00, 7214.91.00.15, 7214.91.00.60, 7214.91.00.90, 7214.99.00.60, 7215.90.50.00, 7226.99.01.80, and 7228.60.60.00. These HTSUS subheadings may cover a significant amount of non-subject merchandise and therefore have been excluded for purposes of reporting import statistics.