



FACT SHEET

Commerce Finds Subsidization and Dumping of High Pressure Steel Cylinders from the People's Republic of China

- On May 1, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the countervailing (CVD) and antidumping (AD) duty investigations of imports of high pressure steel cylinders from the People's Republic of China (China).
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than 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 Chinese producers/exporters have sold high pressure steel cylinders in the United States at dumping margins ranging from 6.62 to 31.21 percent. Commerce also determined that Chinese producers/exporters have received countervailable subsidies of 15.81 percent.
- Mandatory respondent Beijing Tianhai Industry Co., Ltd. (BTIC) received a final dumping rate of 6.62 percent for subject merchandise it produced and exported, as well as for subject merchandise it exported that was produced by Langfang Tianhai High Pressure Container Co., Ltd. and Tianjin Tianhai High Pressure Container Co., Ltd.
- The Department also found that BTIC engaged in targeted dumping on a time period basis.
- Three exporters qualified for a separate dumping rate of 6.62 percent. All other Chinese exporters received a final dumping rate of 31.21 percent.
- In the CVD investigation, mandatory respondent BTIC received a final net subsidy rate of 15.81 percent.
- All other Chinese producers/exporters received a final net subsidy rate of 15.81 percent.
- As a result of the AD final determination, Commerce will instruct CBP to continue to collect cash deposits or bonds equal to the weighted-average dumping margins. As a result of the affirmative final CVD determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit equal to the final net subsidy rates if the U.S. International Trade Commission (ITC) issues a final affirmative injury determination.
- The petitioner for this investigation is Norris Cylinder Company (TX).
- The merchandise covered by the scope of these investigations is seamless steel cylinders designed for storage or transport of compressed or liquefied gas ("high pressure steel cylinders"). High pressure steel cylinders are fabricated of chrome alloy steel including, but not limited to, chromium-

molybdenum steel or chromium magnesium steel, and have permanently impressed into the steel, either before or after importation, the symbol of a U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (“DOT”)-approved high pressure steel cylinder manufacturer, as well as an approved DOT type marking of DOT 3A, 3AX, 3AA, 3AAX, 3B, 3E, 3HT, 3T, or DOT-E (followed by a specific exemption number) in accordance with the requirements of sections 178.36 through 178.68 of Title 49 of the Code of Federal Regulations, or any subsequent amendments thereof. High pressure steel cylinders covered by these investigations have a water capacity up to 450 liters, and a gas capacity ranging from 8 to 702 cubic feet, regardless of corresponding service pressure levels and regardless of physical dimensions, finish or coatings.

- Excluded from the scope of these investigations are high pressure steel cylinders manufactured to UN-ISO-9809-1 and 2 specifications and permanently impressed with ISO or UN symbols. Also excluded from these investigations are acetylene cylinders, with or without internal porous mass, and permanently impressed with 8A or 8AL in accordance with DOT regulations.
- Merchandise covered by these investigations is classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under subheading 7311.00.00.30. Subject merchandise may also enter under HTSUS subheadings 7311.00.0060 or 7311.00.00.90. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.
- In 2011, imports of steel cylinders from China were valued at an estimated \$81.7 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its final determinations on or before June 11, 2012.
- If the ITC makes affirmative final determinations that imports of high pressure steel cylinders from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations are terminated.

FINAL DUMPING MARGINS:

EXPORTER/PRODUCER	MARGIN
Beijing Tianhai Industry Co., Ltd. / Langfang Tianhai High Pressure Container Co., Ltd.	6.62%
Beijing Tianhai Industry Co., Ltd. / Tianjin Tianhai High Pressure Container Co., Ltd.	6.62%
Beijing Tianhai Industry Co., Ltd. / Beijing Tianhai Industry Co., Ltd.	6.62%
Shanghai J.S.X. International Trading Corporation / Shanghai High Pressure Special Gas Cylinder Co., Ltd.	6.62%
Zhejiang Jindun Pressure Vessel Co., Ltd. / Zhejiang Jindun Pressure Vessel Co., Ltd.	6.62%
Shijiazhuang Enric Gas Equipment Co., Ltd. / Shijiazhuang Enric Gas Equipment Co., Ltd.	6.62%
China-Wide	31.21%

FINAL SUBSIDY RATES:

PRODUCER/EXPORTER	SUBSIDY RATE
Beijing Tianhai Industry Co., Ltd./ Tianjin Tianhai High Pressure Container Co., Ltd./ Langfang Tianhai High Pressure Container Co., Ltd.	15.81%
All Others	15.81%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petition Filed	May 11, 2011	May 11, 2011
DOC Initiation Date	May 31, 2011	May 31, 2011
ITC Preliminary Determination	June 27, 2011	June 27, 2011
DOC Preliminary Determination	October 11, 2011	December 7, 2011
DOC Final Determination	April 30, 2012	April 30, 2012
ITC Final Determination	June 11, 2012	June 11, 2012
Issuance of Order*	June 18, 2012	June 18, 2012

NOTE: Department preliminary and final determination deadlines are governed by the statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 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 from Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2009	2010	2011
Volume (units)	847,000	1,247,000	1,670,000
Value (US\$)	29,139,000	48,822,000	81,666,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7311.00.0030, 7311.00.0060 and 7311.00.0090). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.