



## FACT SHEET

### **Commerce Preliminarily Finds Countervailable Subsidization of Imports of Utility Scale Wind Towers from the People's Republic of China (China)**

- On May 30, 2012, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of utility scale wind towers from China.
- 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 preliminarily determined that Chinese producers/exporters have received countervailable subsidies of 13.74 percent to 26.00 percent.
- Mandatory respondent CS Wind China Co., Ltd., CS Wind Tech (Shanghai) Co., Ltd., and CS Wind Corporation (collectively, CS Wind) received a preliminary net subsidy rate of 13.74 percent. Mandatory respondent Titan Wind Energy (Suzhou) Co., Ltd. (Titan Wind), Titan Lianyungang Metal Products Co. Ltd. (Titan Lianyungang), Baotou Titan Wind Energy Equipment Co., Ltd. (Titan Baotou), and Shenyang Titan Metal Co., Ltd. (Titan Shenyang) (collectively, Titan Companies) received a preliminary net subsidy rate of 26.00 percent. All other Chinese producers/exporters received a preliminary net subsidy rate of 19.87 percent.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect a cash deposit based on these preliminary rates. Pursuant to a change of practice announced in accordance with Commerce's Trade Law Enforcement Initiative, for investigations based on petitions filed on or after November 2, 2011, Commerce requires importers to post cash deposits rather than bonds to cover estimated duties between the preliminary determination and any subsequent order (76 FR 61042, October 3, 2011).
- The petitioner for this investigation is the Wind Tower Trade Coalition. The Wind Tower Trade Coalition is comprised of the following member companies: Broadwind Towers, Inc. (Manitowoc, WI); DMI Industries (Fargo, ND); Katana Summit LLC (Columbus, NE); and Trinity Structural Towers, Inc. (Dallas, TX).
- The merchandise covered by this investigation is utility scale wind towers which are the steel towers that support the nacelle (an enclosure for an engine) and rotor blades for use in wind turbines that have electrical power generation capacities in excess of 100 kilowatts.
- Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not attached to the wind towers or sections thereof.

- Imports of the subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): (HTSUS 7308.20.0000, 7308.20.0020, and 8502.31.0000). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. Note: Prior to 2011, subject merchandise was classified under HTS 7308.20.0000 and may continue to be to some degree. These HTSUS numbers are provided for convenience and Customs purposes only; the written description of the scope is dispositive.
- In 2011, imports of utility scale wind towers from China were valued at an estimated \$222 million.

#### **NEXT STEPS**

- Commerce is currently scheduled to make its final determination in August 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of utility scale wind towers from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce or the ITC's final determination is negative, no CVD order will be issued. The ITC is scheduled to make its final injury determinations in September 2012.

#### **Preliminary Subsidy Rates:**

<b>EXPORTER/PRODUCER</b>	<b>RATE</b>
<b>CS Wind China Co., Ltd., CS Wind Tech (Shanghai) Co., Ltd., and CS Wind Corporation (collectively, CS Wind)</b>	<b>13.74%</b>
<b>Titan Wind Energy (Suzhou) Co., Ltd. (Titan Wind), Titan Lianyungang Metal Products Co. Ltd. (Titan Lianyungang), Baotou Titan Wind Energy Equipment Co., Ltd. (Titan Baotou), and Shenyang Titan Metal Co., Ltd. (Titan Shenyang)(collectively, Titan Companies)</b>	<b>26.00%</b>
<b>All Others</b>	<b>19.87%</b>

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	December 29, 2011
DOC Initiation Date	January 18, 2012
ITC Preliminary Determination	February 13, 2012
DOC Preliminary Determination	May 29, 2012
DOC Final Determination	August 13, 2012
ITC Final Determination*	September 27, 2012
Issuance of Order**	October 4, 2012

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadline is set forth in section 705(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

\*This will take place only in the event of a final affirmative determination by Commerce.

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

## IMPORT STATISTICS:

CHINA	2009	2010	2011
Value (US\$)	177,732,000	103,572,000	222,085,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7308.20.0000, 7308.20.0020, and 8502.31.0000). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. Note: Prior to 2011, subject merchandise was classified under HTS 7308.20.0000. Volume could not be calculated, as imports of subject merchandise are reported in multiple units of measure.