



FACT SHEET

Commerce Finds Dumping and Subsidization of Imports of Utility Scale Wind Towers from the People's Republic of China (China) and Dumping of Imports of Utility Scale Wind Towers from the Socialist Republic of Vietnam (Vietnam)

- On December 18, 2012, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of utility scale wind towers from China (AD/CVD) and Vietnam (AD).
- The AD and CVD laws provide U.S. businesses, workers, and farmers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by injurious dumping and subsidization of imports into the United States, and thus to have 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 producers/exporters from China and Vietnam have sold utility scale wind towers in the United States at dumping margins of 44.99 percent to 70.63 percent and 51.50 percent to 58.49 percent, respectively.
- Commerce also determined that producers/exporters from China have received countervailable subsidies of 21.86 percent to 34.81 percent.
- In the China AD investigation, mandatory respondents Chengxi Shipyard Co., Ltd. (“CXs”) and Titan Wind Energy (Suzhou) Co., Ltd. were determined to have final dumping margins of 47.59 percent and 44.99 percent, respectively. Three other exporters qualified for a separate rate of 46.38 percent. All other producers/exporters from China received a final dumping margin of 70.63 percent.
- In the China CVD investigation, mandatory respondent CS Wind China Co., Ltd., CS Wind Tech (Shanghai) Co., Ltd., and CS Wind Corporation (collectively, CS Wind) was determined to have a final net subsidy rate of 21.86 percent. Mandatory respondent Titan Wind Energy (Suzhou) Co., Ltd. (Titan Wind), Titan Lianyungang Metal Product Co. Ltd. (Titan Lianyungang), Baotou Titan Wind Power Equipment Co., Ltd. (Titan Baotou), and Shenyang Titan Metal Co., Ltd. (Titan Shenyang) (collectively, Titan Companies) was determined to have a final net subsidy rate of 34.81 percent. All other producers/exporters from China received a final net subsidy rate of 28.34 percent.
- In the Vietnam AD investigation, mandatory respondent, CS Wind Corporation and CS Wind Vietnam Co. Ltd. (collectively, “CS Wind Group”) was determined to have a final dumping margin of 51.50 percent. All other producers/exporters from Vietnam received a final dumping margin of 58.49 percent.

- As a result of the 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. 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.
- In the CVD investigation, Commerce concluded that all producers and exporters benefited from an export subsidy. Commerce, in accordance with the statute, is required to adjust the China AD rates to account for such export subsidies. In keeping with Commerce's practice in investigations, if Commerce orders the resumption of the suspension of liquidation and requires a cash deposit equal to the final subsidy rates, Commerce will require cash deposits in the China AD proceeding equal to the calculated dumping margins reduced by the appropriate export subsidy rates.
- The petitioner for these investigations 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 these investigations 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 subject merchandise are provided for under the following categories of the Harmonized Tariff Schedule of the United States (HTSUS): HTSUS 7308.20.0020 and 8502.31.0000. Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise. Note HTS code 7308.20.0000 was in effect for subject merchandise prior to 2011 and is included for historic data purposes. These HTS 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 and Vietnam were valued at an estimated \$222 million and \$79 million, respectively.

NEXT STEPS

- The ITC is scheduled to make its final injury determinations on or before January 31, 2013.
- If the ITC makes affirmative final determinations that imports of utility scale wind towers from China and/or Vietnam 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 for China and/or Vietnam, the investigation(s) will be terminated.

CHINA FINAL MARGINS AND RATES:

EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATE*
Chengxi Shipyard Co., Ltd./Chengxi Shipyard Co., Ltd.	47.59%	36.98%
Titan Wind Energy (Suzhou) Co., Ltd./Titan Wind Energy (Suzhou) Co., Ltd.	44.99%	34.33%
Titan Wind Energy (Suzhou) Co., Ltd./Titan (Lianyungang) Metal Product Co., Ltd.	44.99%	34.33%
SEPARATE RATE COMPANIES:		
CS Wind Corporation/CS Wind China Co., Ltd.	46.38%	35.81%
Guodian United Power Technology Baoding Co., Ltd./Guodian United Power Technology Baoding Co., Ltd.	46.38%	35.77%
Sinovel Wind Group Co., Ltd./ Qiangsheng Wind Equipment Co., Ltd.	46.38%	35.77%
China-Wide Rate	70.63%	60.02%

* The cash deposit rates take into account the applicable export subsidy rates of 10.66 percent (Titan), 10.57 percent (CS Wind), and 10.615 percent (CXS, Guodian United Power Technology Baoding Co., Ltd., Sinovel Wind Group Co., Ltd., and the China-Wide Rate).

CHINA FINAL SUBSIDY RATES:

EXPORTER/PRODUCER	SUBSIDY RATE*
CS Wind China Co., Ltd., CS Wind Tech (Shanghai) Co., Ltd., and CS Wind Corporation (collectively, CS Wind)	21.86%
Titan Wind Energy (Suzhou) Co., Ltd. (Titan Wind), Titan Lianyungang Metal Product Co. Ltd. (Titan Lianyungang), Baotou Titan Wind Power Equipment Co., Ltd. (Titan Baotou), and Shenyang Titan Metal Co., Ltd. (Titan Shenyang)(collectively, Titan Companies)	34.81%
All Others	28.34%

*The subsidy rate and the cash deposit rate are the same.

VIETNAM FINAL MARGINS:

EXPORTER/PRODUCER	DUMPING MARGINS
CS Wind Group	51.50%
Vietnam-Wide Entity	58.49%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATIONS
Petition Filed	December 29, 2011	December 29, 2011
DOC Initiation Date	January 18, 2012	January 18, 2012
ITC Preliminary Determination	February 13, 2012	February 13, 2012
DOC Preliminary Determination	May 29, 2012	July 26, 2012
DOC Final Determination	December 17, 2012	December 17, 2012
ITC Final Determination	January 31, 2013	January 31, 2013
Issuance of Order*	February 7, 2013	February 7, 2013

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 a final affirmative injury determination from the ITC.

IMPORT STATISTICS:

China	2009	2010	2011
Value (USD)	177,732,000	103,572,000	222,085,000
Vietnam	2009	2010	2011
Value (USD)	67,741,000	51,852,000	78,754,000

Source: U.S. Census Bureau, 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.