



FACT SHEET

Commerce Self-Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Common Alloy Aluminum Sheet from the People's Republic of China

- On November 28, 2017, the Department of Commerce (Commerce) announced the self-initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of common alloy aluminum sheet from the People's Republic of China (China).
- The AD and CVD laws provide a transparent, quasi-judicial, and internationally accepted mechanism to address the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States.
- 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.
- The Department of Commerce has self-initiated these investigations pursuant to sections 702(a) and 732(a)(1) of the Tariff Act of 1930, as amended. U.S. law provides two mechanisms for the initiation of AD and CVD investigations. Normally, AD and/or CVD investigations are initiated under sections 702(b) and 732(b) of the Act, which specify that AD and/or CVD proceedings “shall be initiated whenever an interested party described in subparagraph (C), (D), (E), (F), or (G) of section 771(9) files a petition with the administering authority, on behalf of an industry, which alleges the elements necessary for the imposition of the duty imposed by {section 701(a) (for CVD) or 731 (for AD)}, and which is accompanied by information reasonably available to the petitioner supporting those allegations.”

Investigations may also be self-initiated under sections 702(a) and 732(a) of the Act, which specify that AD and/or CVD investigations “shall be initiated whenever the administering authority determines, from information available to it, that a formal investigation is warranted into the question of whether the elements necessary for the imposition of a duty under {section 701 (CVD) or 731 (AD)} exist.”

In this instance, we have information warranting an investigation into whether 1) the United States price of common alloy sheet from China may be less than the normal value of such or similar merchandise, 2) imports of common alloy sheet from China may be benefitting from countervailable subsidies, and 3) imports of common alloy sheet from China may be materially injuring, or threatening material injury to, the domestic industry producing common alloy sheet in the United States.

- The merchandise covered by these investigations is common alloy aluminum sheet, which is a flat-rolled aluminum product having a thickness of 6.3 mm or less, but greater than 0.2 mm, in coils or cut-to-length, regardless of width. Common alloy aluminum sheet within the scope of these investigations includes both not clad aluminum sheet, as well as multi-alloy, clad aluminum sheet.

With respect to not clad aluminum sheet, common alloy sheet is manufactured from a 1XXX-, 3XXX-, or 5XXX-series alloy as designated by the Aluminum Association. With respect to multi-alloy, clad aluminum sheet, common alloy sheet is produced from a 3XXX-series core, to which cladding layers are applied to either one or both sides of the core.

Common alloy sheet may be made to ASTM specification B209-14, but can also be made to other specifications. Regardless of specification, however, all common alloy sheet meeting the scope description is included in the scope. Subject merchandise includes common alloy sheet that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the common alloy sheet.

Excluded from the scope of these investigations is aluminum can stock, which is suitable for use in the manufacture of aluminum beverage cans, lids of such cans, or tabs used to open such cans. Aluminum can stock is produced to gauges that range from 0.200 mm to 0.292 mm, and has an H-19, H-41, H-48, or H-391 temper. In addition, aluminum can stock has a lubricant applied to the flat surfaces of the can stock to facilitate its movement through machines used in the manufacture of beverage cans. Aluminum can stock is properly classified under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7606.12.3045 and 7606.12.3055.

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 for the above.

Common alloy sheet is currently classifiable under HTSUS subheadings 7606.11.3060, 7606.11.6000, 7606.12.3090, 7606.12.6000, 7606.91.3090, 7606.91.6080, 7606.92.3090, and 7606.92.6080. Further, merchandise that falls within the scope of these investigations may also be entered into the United States under HTSUS subheadings 7606.11.3030, 7606.12.3030, 7606.91.3060, 7606.91.6040, 7606.92.3060, 7606.92.6040, 7607.11.9090. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these investigations is dispositive.

- In 2016, imports of common alloy aluminum sheet from China were valued at an estimated \$603.6 million.

NEXT STEPS

- The U.S. International Trade Commission (ITC) will make its preliminary injury determinations within 45 days after the date on which the ITC receives notice from the Department of Commerce that investigations have been self-initiated.
- If the ITC determines that there is a reasonable indication that imports of common alloy aluminum sheet from China materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and the Department will be scheduled to announce its preliminary CVD determination in February 2018 and its preliminary AD determination in April 2018, though these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

ESTIMATED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
China	56.54 to 59.72 percent

ESTIMATED SUBSIDY RATE:

COUNTRY	SUBSIDY RATE
China	Above <i>de minimis</i> *

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

APPROXIMATE CASE CALENDAR:

EVENT	AD INVESTIGATION	CVD INVESTIGATION
DOC Initiation Date	November 28, 2017	November 28, 2017
ITC Preliminary Determinations*	January 12, 2018	January 12, 2018
DOC Preliminary Determinations	April 17, 2018	February 1, 2018
DOC Final Determinations	July 2, 2018†	April 17, 2018
ITC Final Determinations**	August 15, 2018	June 1, 2018
Issuance of Orders***	August 22, 2018	June 8, 2018

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 deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

* Projected date based on estimated notification of the ITC by Commerce. If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

**This will take place only in the event of final affirmative determinations from Commerce.

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

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

IMPORT STATISTICS:

Quantity (LB)	2014	2015	2016	Jan-Sept 2016	Jan-Sept 2017
China	417,483,936	592,984,673	606,533,743	458,680,392	615,271,342

Customs Value (USD)	2014	2015	2016	Jan-Sept 2016	Jan-Sept 2017
China	\$488,753,380	\$683,988,553	\$603,560,933	\$451,527,819	\$687,206,700

Source: U.S. Census Bureau, accessed through Global Trade Atlas. We obtained the volume (converted from kilograms to pounds) and customs value of imports of common alloy aluminum sheet using Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7606.11.3060, 7606.11.6000, 7606.12.3090, 7606.12.6000, 7606.91.3090, 7606.91.6080, 7606.92.3090, and 7606.92.6080.