FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Cold-Rolled Steel Flat Products from Brazil, China, India, and Russia and No Countervailable Subsidization of Imports of Certain Cold-Rolled Steel Flat Products from Korea

- On December 16, 2015, the Department of Commerce (Commerce) announced its affirmative preliminary determinations in the countervailing duty (CVD) investigations of imports of certain cold-rolled steel flat products from Brazil, China, India, and Russia and its negative preliminary determination in the CVD investigation of imports of certain cold-rolled steel flat products from Korea.

- The CVD law provides U.S. business and workers with a transparent and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.

- 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.

- In the Brazil investigation, Commerce preliminarily determined that mandatory respondents Companhia Siderurgica Nacional and Usinas Siderurgicas de Minas Gerais both received a subsidy rate of 7.42 percent. All other producers/exporters in Brazil have been assigned a preliminary subsidy rate of 7.42 percent.

- In the China investigation, Commerce preliminarily determined that mandatory respondents Angang Group Hong Kong Co., Ltd. and Benxi Iron and Steel (Group) Special Steel Co., Ltd. and, a non-cooperative exporter, Qian’an Golden Point Trading Co., Ltd., received subsidy rates of 227.29 percent. All other exporters of certain cold-rolled steel flat products from China will be subject to a subsidy rate of 227.29 percent. These CVD rates are based on adverse facts available following Commerce’s determination that the Government of the People’s Republic of China and the mandatory respondents did not fully cooperate in the investigation by failing to respond to Commerce’s requests for information.

- In the India investigation, Commerce preliminarily determined that sole mandatory respondent JSW Steel Limited and its cross-owned affiliate JSW Coated Products Limited received subsidy rate of 4.45 percent. All other producers/exporters in India have been assigned a preliminary subsidy rate of 4.45 percent.

- In the Korea investigation, Commerce preliminarily determined that mandatory respondents Hyundai Steel Co., Ltd. received a subsidy rate of 0.61 percent and POSCO/Daewoo International Corporation received a subsidy rate of 0.18 percent, which are both de minimis which results in a negative countervailing duty determination. Because the preliminary determination is negative, no “all others” rate has been applied to any other producers/exporters in Korea.
• In the Russia investigation, Commerce preliminarily determined that mandatory respondents Novolipetsk Steel OJSC (NLMK), Novex Trading, Altai-Koks OJSC, Dolomite OJSC, Stoilensky OJSC, Studenovskaya (Stagdok) OJSC, Trading House LLC, Vtorchermet NLMK LLC, Vtorchermet OJSC, and Vtorchermet NLMK Center LLC (collectively, the NLMK Companies) received a subsidy rate of 6.33 percent and PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet (collectively, the Severstal Companies) received a subsidy rate of 0.01 percent, which is de minimis. The “all others” rate is the rate calculated for the NLMK Companies.

• As a result of the preliminary affirmative determinations for Brazil, China, India, and Russia, Commerce will instruct U.S. Customs and Border Protection to require cash deposits based on these preliminary rates. As a result of the negative preliminary determination, no cash deposit will be required for imports of certain cold-rolled steel flat products from Korea.

• Based on an allegation filed in the China CVD case, Commerce found that critical circumstances do not exist for all other Chinese exporters, but do exist for Angang Group Hong Kong Co., Ltd., Benxi Iron and Steel (Group) Special Steel Co., Ltd., and Qian’an Golden Point Trading Co., Ltd. Where critical circumstances are found, CBP will be instructed to impose provisional measures retroactively on entries of certain cold-rolled steel flat products up to 90 days prior to publication of the preliminary determination Federal Register notice.

• Based on an allegation filed in the Russian CVD case, Commerce found that critical circumstances do not exist with regard to Russian producer/exporters of cold-rolled steel.

• The petitioners for these investigations are AK Steel Corporation (OH), ArcelorMittal USA LLC (IL), Nucor Corporation (NC), Steel Dynamics, Inc. (IN), and United States Steel Corporation (PA).

• The products covered by these investigations are certain cold-rolled (cold-reduced), flat-rolled steel products, 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 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 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 covered also include products not in coils (e.g., in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice 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, 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
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), 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, 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. Motor lamination steels contain 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 cold-rolled steel 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 cold-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:
• Ball bearing steels;¹
• Tool steels;²
• Silico-manganese steel;³
• Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in *Grain-Oriented Electrical Steel From Germany, Japan, and Poland*.⁴
• Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in *Non-Oriented Electrical Steel From the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*.⁵

The products subject to these investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6075, 7211.23.6085, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8015, 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to the investigations may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0080.

¹ 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 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.

² 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.

³ 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.

⁴ *Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 42,501, 42,503 (Dep’t of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as “a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths.”

⁵ *Non-Oriented Electrical Steel From the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders*, 79 Fed. Reg. 71,741, 71,741-42 (Dep’t of Commerce, Dec. 3, 2014). The orders define NOES as “cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term ‘substantially equal’ means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (i.e., the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (i.e., parallel to) the rolling direction of the sheet (i.e., B800 value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.”
In 2014, imports of certain cold-rolled steel flat products from Brazil, China, India, Korea, and Russia were valued at an estimated $65.2 million, $513.8 million, $56.9 million, $206.3 million, and $54.6 million, respectively.

NEXT STEPS

- Commerce has aligned the final CVD determinations with the final determinations in the concurrent antidumping duty investigations, and is scheduled to announce its final determinations on or about May 10, 2016, unless the statutory deadline is extended.

- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of certain cold-rolled steel flat products from Brazil, China, India, Korea, and/or Russia materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If either Commerce’s or the ITC’s final determinations are negative, no CVD orders will be issued. The ITC is scheduled to make its final injury determinations in May 2016.

Preliminary Subsidy Rates:

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>EXPORTER/PRODUCER</th>
<th>SUBSIDY RATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Companhia Siderurgica Nacional</td>
<td>7.42%</td>
</tr>
<tr>
<td></td>
<td>Usinas Siderurgicas de Minas Gerais</td>
<td>7.42%</td>
</tr>
<tr>
<td></td>
<td>All Others</td>
<td>7.42%</td>
</tr>
<tr>
<td>COUNTRY</td>
<td>EXPORTER/PRODUCER</td>
<td>SUBSIDY RATES</td>
</tr>
<tr>
<td>---------</td>
<td>------------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>Angang Group Hong Kong Co., Ltd</td>
<td>227.29%</td>
</tr>
<tr>
<td></td>
<td>Benxi Iron and Steel (Group) Special Steel Co., Ltd.</td>
<td>227.29%</td>
</tr>
<tr>
<td></td>
<td>Qian’an Golden Point Trading Co., Ltd.</td>
<td>227.29%</td>
</tr>
<tr>
<td></td>
<td>All Others</td>
<td>227.29%</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>JSW Steel Limited (“JSWSL”) and JSW Coated Products Limited</td>
<td>4.45%</td>
</tr>
<tr>
<td></td>
<td>All Others</td>
<td>4.45%</td>
</tr>
<tr>
<td><strong>Korea</strong></td>
<td>Hyundai Steel Co., Ltd.</td>
<td>0.61%*(de minimis)</td>
</tr>
<tr>
<td></td>
<td>POSCO/Daewoo International Corporation</td>
<td>0.18%*(de minimis)</td>
</tr>
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</table>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries
<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>EXPORTER/PRODUCER</th>
<th>SUBSIDY RATES</th>
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<tbody>
<tr>
<td>Russia</td>
<td>Novolipetsk Steel OJSC (NLMK), Novex Trading, Altai-Koks OJSC, Dolomite OJSC, Stoilensky OJSC, Studenovskaya (Stagdok) OJSC, Trading House LLC, Vtorchermet NLMK LLC, Vtorchermet OJSC, and Vtorchermet NLMK Center LLC (collectively, the NLMK Companies)</td>
<td>6.33%</td>
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<td></td>
<td>PAO Severstal, Severstal Export GmbH, JSC Karelsky Okatysh, AO OLKON, AO Vorkutaugol, and JSC Vtorchermet (collectively, the Severstal Companies)</td>
<td>0.01%*(de minimis)</td>
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<tr>
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<td>All Others</td>
<td>6.33%</td>
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* de minimis = less than 1% for developed countries, less than 2% for developing countries

**CASE CALENDAR:**

<table>
<thead>
<tr>
<th>EVENT</th>
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<tbody>
<tr>
<td>Petitions Filed</td>
<td>July 28, 2015</td>
</tr>
<tr>
<td>DOC Initiation Date</td>
<td>August 17, 2015</td>
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<tr>
<td>ITC Preliminary Determination</td>
<td>September 11, 2015</td>
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<td>DOC Preliminary Determination</td>
<td>December 15, 2015</td>
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<tr>
<td>DOC Final Determination</td>
<td>May 9, 2016†</td>
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<td>ITC Final Determination†*</td>
<td>May 16, 2016</td>
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<tr>
<td>Issuance of Order**</td>
<td>May 23, 2016</td>
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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. These deadlines may be extended under certain circumstances.
†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.
*This will take place only in the event of final affirmative determinations by Commerce.
**This will take place only in the event of final affirmative determinations by Commerce and the ITC.
## IMPORT STATISTICS:

### BRAZIL

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<tr>
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<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td>Volume (metric tons)</td>
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<td>29,900</td>
<td>89,600</td>
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<tr>
<td>Value (USD)</td>
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<td>19,742,000</td>
<td>65,192,000</td>
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### CHINA

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<th>2014</th>
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<tr>
<td>Volume (metric tons)</td>
<td>252,300</td>
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<tr>
<td>Value (USD)</td>
<td>179,781,000</td>
<td>155,799,000</td>
<td>513,816,000</td>
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### INDIA

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<th>2014</th>
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<td>Volume (metric tons)</td>
<td>6,900</td>
<td>15,900</td>
<td>77,700</td>
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<tr>
<td>Value (USD)</td>
<td>8,682,000</td>
<td>13,915,000</td>
<td>56,888,000</td>
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### JAPAN

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<td>Volume (metric tons)</td>
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<td>Value (USD)</td>
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<td>158,414,000</td>
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### KOREA

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<td>Value (USD)</td>
<td>149,147,000</td>
<td>145,903,000</td>
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### RUSSIA

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<tr>
<td>Volume (metric tons)</td>
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<td>81,100</td>
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<td>Value (USD)</td>
<td>0</td>
<td>111,400</td>
<td>54,573,000</td>
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SOURCE: U.S. CENSUS BUREAU, ACCESSED THROUGH GLOBAL TRADE ATLAS. (HTSUS 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2550, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.29.0000, 7212.40.1000, 7212.40.5000, 7215.10.0010, 7215.10.0080, 7215.10.0090, 7215.50.0016, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7217.10.1000, 7225.50.6015, 7225.50.6085, 7225.99.0090, 7226.19.1000, 7226.19.9000, 7226.92.1000, 7226.92.5000, 7226.92.7050, AND 7226.92.8050. THE ABOVE HTSUS SUBHEADINGS MAY COVER BOTH SUBJECT AND NON-SUBJECT MERCHANDISE, IMPORTS OF COLD-ROLLED STEEL FLAT PRODUCTS MAY ALSO ENTER UNDER 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.10.0090, 7215.50.0016, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, AND 7229.90.1000. THESE HTSUS SUBHEADINGS MAY COVER A SIGNIFICANT AMOUNT OF NON-SUBJECT MERCHANDISE AND THEREFORE HAVE BEEN EXCLUDED FOR PURPOSES OF REPORTING IMPORT STATISTICS.