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New Antidumping and Countervailing Duty Petition on Certain Non-Refillable Steel Cylinders From India

By <u>Bernd G. Janzen</u>, <u>Matthew R. Nicely</u>, <u>Yujin Kim McNamara</u>, <u>Julia K. Eppard</u>, <u>Devin S. Sikes</u>, <u>Daniel M.</u> <u>Witkowski</u>, <u>Yuzhe PengLing</u> and <u>Sarah Sprinkle</u> May 9, 2023

Introduction

On April 26, 2023, a domestic producer of steel cylinders filed a petition with the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) seeking the imposition of antidumping (AD) and countervailing (CVD) duties on imports of certain non-refillable steel cylinders from India—a product used to store gases, such as compressed or liquefied refrigerant gas.

According to the petitioner, imports of the subject merchandise into the United States from India have increased over the past few years, reaching 3.5 million units in 2022. The case follows the imposition of AD and CVD duties in 2021 on Chinese non-refillable steel cylinders.

Worthington Industries of Columbus, Ohio, is the petitioner and is the only known U.S. producer of non-refillable steel cylinders.

Under U.S. law, a domestic industry (including workers in that industry) may petition for the government to initiate an AD investigation into the pricing of an imported product to determine whether it is sold in the United States at less than fair value (i.e., "dumped"). A domestic industry may also petition for the initiation of an investigation of alleged countervailable subsidies provided by a foreign government to producers and exporters of the subject merchandise. DOC will impose AD or CVD duties on a product if it determines that imports of that product are dumped and/or subsidized, **and** if the ITC also determines that the domestic industry is materially injured or threatened with such injury by reason of imports of that product.

If the ITC and DOC make preliminary affirmative determinations, U.S. importers will be required to post cash deposits in the amount of the AD and/or CVD duties for all entries of the subject merchandise entered on or after the date of publication of DOC's preliminary determinations. The preliminary AD/CVD rates can change in the final DOC determinations, following further factual investigation, verification and briefing.

Scope

Petitioner has requested the following product scope for the investigations:

The products covered by these investigations are certain seamed (welded or brazed), non-refillable steel cylinders meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation specification 39, TransportCanada specification 39M or United Nations pressure receptacle standard ISO 11118 and otherwise meeting the description provided below ("non-refillable steel cylinders"). The subject non-refillable steel cylinders are portable and range from 100-cubic inch (1.6 liter) water capacity to 1,526-cubic inch (25 liter) water capacity. Subject non-refillable steel cylinders may be imported with or without a valve and/or pressure release device and are unfilled at the time of importation. Non-refillable steel cylinders filled with pressurized air otherwise meeting the physical description above are covered by these orders.

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Specifically excluded are seamless non-refillable steel cylinders.

The merchandise subject to these orders is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). The merchandise may also enter under HTSUS statistical reporting numbers 7310.29.0030 and 7310.29.0065. The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the petitions is dispositive.

Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exporters of non-refillable steel cylinders, as identified in the petition, is provided in <u>Attatchment 1</u>.

U.S. Importers of Subject Merchandise

A list of U.S. importers of non-refillable steel cylinders, as identified in the petition, is provided in <u>Attatchment</u> <u>2</u>.

Alleged Margins of Dumping/Subsidization

Petitioner alleged dumping margins ranging from 11.20% to 56.52%. DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with the investigation.

No specific subsidy rates are included in the petition.

Potential Trade Impact

According to official U.S. import statistics, imports of the subject merchandise totaled \$61 million or 3.5 million units in 2022, representing approximately one-quarter of all imports of such steel cylinders.

Estimated Schedule of Investigations

4/26/2023	Petition filed.
6/10/2023	ITC preliminary injury determination.
7/20/2023	DOC preliminary CVD determination, if not postponed.
9/23/2023	DOC preliminary CVD determination, if fully postponed.
10/3/2023	DOC preliminary AD determination, if not postponed.
11/22/2023	DOC preliminary AD determination, if fully postponed.
4/12/2024 postponed.	DOC final AD and CVD determinations, if both preliminary and final determinations are fully
6/3/2024	ITC final injury determination, if DOC's determinations are fully postponed.
6/10/2024	AD/CVD orders published.

If you have questions about this client alert, please contact any Akin lawyer or advisor below:

Bernd G. Janzen bjanzen@akingump.com +1 202.887.4309

Devin S. Sikes dsikes@akingump.com +1 202.887.4336 Matthew R. Nicely mnicely@akingump.com +1 202.887.4046

Daniel M. Witkowski dwitkowski@akingump.com +1 202.887.4048 Yujin Kim McNamara ymcnamara@akingump.com +1 202.887.4347

Yuzhe PengLing ypengling@akingump.com +1 202.887.4012 Julia K. Eppard jeppard@akingump.com +1 202.887.4359

Sarah Sprinkle ssprinkle@akingump.com +1 202.887.4087