

New Antidumping Duty Petition on Boltless Steel Shelving Units Prepackaged for Sale from India, Malaysia, Taiwan, Thailand and Vietnam

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Introduction

On April 25, 2023, a domestic producer of boltless steel shelving filed a petition with the United States Department of Commerce (DOC) and the U.S. International Trade Commission (ITC) seeking the imposition of antidumping (AD) duties on imports of boltless steel shelving units prepackaged for sale from India, Malaysia, Taiwan, Thailand and Vietnam. AD and countervailing duty (CVD) orders on the same products, but imported from China, have already been in effect for almost 10 years.

According to the petitioner, imports of the covered merchandise into the U.S. from the identified countries steadily increased over the past few years, reaching approximately \$147 million in calendar year 2022.

Edsal Manufacturing Co. Inc. (Edsal) is the sole petitioner. Edsal, based in Chicago, Illinois, claims to be the largest U.S. producer of boltless steel shelving. The petition identifies one other domestic producer of boltless steel shelving—Tennsco Corp. (Tennsco)—which is based in Dickson, Tennessee. Tennsco did not express a public position on the petition.

Under U.S. law, a domestic industry (including workers in said industry) may petition the government to initiate AD investigations into the pricing of an imported product to determine whether it is sold in the U.S. at less than fair value (i.e., “dumped”). DOC will impose AD duties on a product if it determines that imported goods are dumped, 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 affirmative preliminary determinations, U.S. importers will be required to post cash deposits for all entries of subject merchandise entered on or after the dates of publication of DOC’s preliminary determinations. The cash deposit rates may vary depending on the AD margins calculated by DOC in its preliminary determinations. Those rates can change in DOC’s final determinations, following further factual investigation, verification and briefing.

Scope

Petitioner has requested the following scope for the investigation, which is the same as the scope for the AD and CVD orders on boltless steel shelving units prepackaged for sale from China:

The scope of this investigation covers boltless steel shelving, with or without decks. The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (i.e., uprights and posts) and steel horizontal supports (i.e., beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (e.g.,

two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab, or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts, or screws to add accessories, wall anchors, tiebars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving and punched rivet (quasi-rivet) shelving as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit. The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including, but not limited to, open post, closed post and tubing); (2) horizontal support or beam/brace profile (including, but not limited to, Z- I-5 beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including, but not limited to, paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including, but not limited to, rectangular, square, and corner units); (8) decking material (including, but not limited to, wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including, but not limited to, keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Subject boltless steel shelving enters the U.S. through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheading 9403.20.0075. While the HTSUS subheading is provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

The scope also includes detailed descriptions of a number of products that are expressly excluded from the scope of the investigation.

Foreign Producers and Exporters of Subject Merchandise

A list of foreign producers and exporters of boltless steel shelving units prepackaged for sale, as identified in the petition, is provided in Attachment 1.

U.S. Importers of Subject Merchandise

A list of U.S. importers of boltless steel shelving units prepackaged for sale, as identified in the petition, is provided in Attachment 2.

Alleged Margins of Dumping

Petitioner alleged the following dumping margins for products from the identified countries:

- India: 215.77%
- Malaysia: 41.29% - 232.94% (range)
- Taiwan: 217.66%
- Thailand: 177.72% - 188.06% (range)
- Vietnam: 85.24% - 205.49% (range)

DOC generally assigns duties at these alleged dumping rates to exporters that fail to cooperate with its investigations.

Potential Trade Impact

According to official U.S. import statistics, a total of nearly 5.9 million units of subject merchandise were imported into the U.S. from March 2022 to February 2023, with the identified countries making up almost half of all subject merchandise imported into the U.S. by quantity. Subject merchandise imported from China, which is already subject to AD and CVD orders, represented approximately 40% of the total imports during the same period. As a result, the petition could potentially lead to the imposition of additional duties on almost all U.S. imports of subject merchandise, if successful.

Estimated Schedule of Investigations

4/25/2023 Petition filed.

6/9/2023 ITC preliminary injury determination.

11/21/2023 DOC preliminary determinations, if fully postponed.

4/11/2024 DOC final determinations, if both preliminary and final determinations are fully postponed.

6/3/2024 ITC final injury determination, if DOC's determinations are fully postponed.

6/10/2024 AD orders published.

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

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