

New Antidumping Duty Petition On Brass Rod From Brazil, India, Israel, Mexico, South Africa and South Korea and Countervailing Duty Petition On Brass Rod From India, Israel and South Korea

By Bernd G. Janzen, Matthew R. Nicely, Yujin Kim McNamara, Devin S. Sikes, Sarah Sprinkle, Daniel M. Witkowski, Julia K. Eppard, Yuzhe PengLing and Paul Steven Bettencourt

May 2, 2023

Introduction

On April 27, 2023, a coalition of domestic producers of brass rod 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 brass rod from Brazil, India, Israel, Mexico, South Africa and South Korea and the imposition of countervailing duties (CVD) on imports of brass rod from India, Israel and South Korea.

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 36.5 million pounds in calendar year 2022.

The American Brass Rod Fair Trade Coalition, an ad hoc coalition that consists of two domestic producers of brass rod, is the petitioner. The two coalition members are Mueller Brass Co., based in Port Huron, Michigan, and Wieland Chase LLC, based in Montpelier, Ohio. The petition identifies one other domestic producer of brass rod—Chicago Extruded Metals—which has not expressed a public position on the petition.

Under U.S. law, a domestic industry (including workers in said industry) may petition 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 covered merchandise. DOC will impose AD or countervailing duties (CVD) 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 rates calculated by DOC for all entries of 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 petitions are brass rod, which is defined as leaded, low-lead, and no-lead solid brass made from alloys such as, but not limited to: Alloys C36000, C37700, C3700, C36300, C27450, C27451, C69300, C35300, C34500, C67600, C35330, C48500 and C67300, and their international equivalents.

The brass rod subject to these orders has a cross-section greater than one quarter of one inch (0.25 inches) outside diameter but less than or equal to 12 inches outside diameter. Brass rod cross-sections may be round, hexagonal, square or octagonal shapes as well as special profiles (e.g., angles, shapes).

Standard leaded brass rod covered by the scope contains, by weight, 57.0 - 65.0% copper; 1.5 - 3.0% lead; no more than 0.35% iron; and at least 15% zinc. No-lead or low-lead brass rod covered by the scope contains by weight 59.0- 76.0% copper; 0 - 1.5% lead; no more than 0.35% iron; and at least 15% zinc. Brass rod may also include other elements.

Brass rod is covered by these petitions whether it is finished or unfinished. Brass rod may be produced in accordance with ASTM B16, ASTM B124, ASTM B981, ASTM B371, ASTM B453, ASTM B21, ASTM B138 and ASTM B927, but such conformity to an ASTM standard is not required for the merchandise to be included within the scope.

Brass rod is produced by melting and casting into billets or strand casting into rod. Brass rod may or may not be heated, extruded, pickled or cold-drawn.

The merchandise covered by these petitions is currently classifiable under subheading 7407.21.9000 of the Harmonized Tariff Schedule of the United States (HTSUS). Products subject to the scope may also enter under HTSUS subheadings 7403.21.0000, 7407.21.1500, 7407.21.3000, 7407.21.5000 and 7407.21.7000. 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 brass rod, as identified in the petition, is provided in [Attachment 1](#).

U.S. Importers of Subject Merchandise

A list of U.S. importers of brass rod, 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:

- Brazil: 62.62%
- India: 10.20%
- Israel: 20.00%
- Mexico: 63.76%
- South Africa: 27.99%
- South Korea: 12.75%

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

No specific subsidy rates for India, Israel or South Korea are included in the petition.

Potential Trade Impact

According to official U.S. import statistics, a total of nearly 45.4 million pounds of subject merchandise were imported into the U.S. from March 2022 through February 2023, with South Korea and Israel representing the two largest shares of subject merchandise by quantity. Imports from the identified countries make up nearly 75% of all brass rod imported into the U.S. by quantity. As a result, the petition could potentially lead to the imposition of additional duties on the vast majority of U.S. imports of brass rod.

Estimated Schedule of Investigations

4/27/2023	Petition filed.
6/12/2023	ITC preliminary injury determination.
9/25/2023	DOC preliminary CVD determinations, if fully postponed.
11/24/2023	DOC preliminary AD determinations, if fully postponed.
4/15/2024	DOC final AD and CVD determinations, if both preliminary and final determinations are fully postponed.
5/30/2024	ITC final injury determination, if DOC's determinations are fully postponed.
6/6/2024	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

Matthew R. Nicely
mnicely@akingump.com
+1 202.887.4046

Yujin Kim McNamara
ymcnamara@akingump.com
+1 202.887.4347

Devin S. Sikes
dsikes@akingump.com
+1 202.887.4336

Sarah Sprinkle
ssprinkle@akingump.com
+1 202.887.4087

Daniel M. Witkowski
dwitkowski@akingump.com
+1 202.887.4048

Julia K. Eppard
jeppard@akingump.com
+1 202.887.4359

Yuzhe PengLing
ypengling@akingump.com
+1 202.887.4012

Paul Steven Bettencourt
pbettencourt@akingump.com
+1 202.416.5046
