



## FACT SHEET

### Commerce Preliminarily Finds Countervailable Subsidization of High Pressure Steel Cylinders from the People's Republic of China

- On October 12, 2011, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of high pressure steel cylinders from the People's Republic of China (China).
- For purposes of CVD investigations, subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.
- Mandatory respondent Beijing Tianhai Industry Co., Ltd. received a preliminary net subsidy rate of 22.34 percent *ad valorem*.
- All other Chinese producers/exporters received a preliminary net subsidy rate of 22.34 percent *ad valorem*.
- As a result of this preliminary determination, Commerce will instruct U.S. Customs and Border Protection to collect a cash deposit or bond based on these preliminary rates.
- The petitioner for this investigation is: Norris Cylinder Company (TX).
- The merchandise covered by the scope of this investigation is seamless steel cylinders designed for storage or transport of compressed or liquefied gas ("high pressure steel cylinders"). High pressure steel cylinders are fabricated of chrome alloy steel including, but not limited to, chromium-molybdenum steel or chromium magnesium steel, and have permanently impressed into the steel, either before or after importation, the symbol of a U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("DOT")-approved high pressure steel cylinder manufacturer, as well as an approved DOT type marking of DOT 3A, 3AX, 3AA, 3AAX, 3B, 3E, 3HT, 3T, or DOT-E (followed by a specific exemption number) in accordance with the requirements of sections 178.36 through 178.68 of Title 49 of the Code of Federal Regulations, or any subsequent amendments thereof. High pressure steel cylinders covered by these investigations have a water capacity up to 450 liters, and a gas capacity ranging from 8 to 702 cubic feet, regardless of corresponding service pressure levels and regardless of physical dimensions, finish or coatings.
- Excluded from the scope of this investigation is high pressure steel cylinders manufactured to UN-ISO-9809-1 and 2 specifications and permanently impressed with ISO or UN symbols. Also excluded from these investigations are acetylene cylinders, with or without internal porous mass, and permanently impressed with 8A or 8AL in accordance with DOT regulations.
- Merchandise covered by this investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheading 7311.00.00.30. Subject merchandise may also enter under HTSUS subheadings 7311.00.0060 or 7311.00.00.90. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under this investigation is dispositive.

- In 2010, imports of high pressure steel cylinders from China were valued at an estimated \$48.8 million.

**NEXT STEPS**

- Commerce is currently scheduled to make its final determination in February 2012.
- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of high pressure steel cylinders from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. The ITC is scheduled to make its final injury determination in April 2012.

**Preliminary Subsidy Rates:**

PRODUCER/EXPORTER	SUBSIDY RATE
Beijing Tianhai Industry Co., Ltd.	22.34%
All Others	22.34%

## CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petition Filed	May 11, 2011
DOC Initiation Date	May 31, 2011
ITC Preliminary Determination	June 27, 2011
DOC Preliminary Determination	October 11, 2011
DOC Final Determination*	February 21, 2012
ITC Final Determination**	April 5, 2012
Issuance of Order***	April 12, 2012

\*This deadline may be extended under the governing statute.

\*\*This will take place only in the event of a final affirmative determination from Commerce.

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

## IMPORT STATISTICS:

CHINA	2008	2009	2010
Volume (units)	986,000	847,000	1,247,000
Value (US\$)	53,748,000	29,139,000	48,822,000

Source: U.S. Bureau of Census, accessed through Global Trade Atlas. (HTSUS 7311.00.0030, 7311.00.0060 and 7311.00.0090). Some HTSUS subheadings include basket categories and may cover both subject and non-subject merchandise.