

May 22, 2018

New Antidumping and Countervailing Duty Petitions on Steel Propane Cylinders from China, Taiwan and Thailand

By Douglas J. Heffner and Richard P. Ferrin

Worthington Industries and Manchester Tank & Equipment Co. (“petitioners”), on May 22, 2018, filed antidumping (AD) petitions on certain steel propane cylinders from China, Taiwan and Thailand, and countervailing duty (CVD) petitions on certain steel propane cylinders from China.

The U.S. AD law imposes special tariffs to counteract imports that are sold in the United States at less than “normal value.” The U.S. CVD law imposes special tariffs to counteract imports that are sold in the United States with the benefit of foreign government subsidies. For AD/CVD duties to be imposed, the U.S. government must determine not only that dumping and/or subsidies are occurring, but also that there is “material injury” (or threat thereof) by reason of the dumped and/or subsidized imports. Importers are liable for any potential AD/CVD duties imposed. In addition, these investigations could impact purchasers by increasing prices and/or decreasing supply of certain steel propane cylinders.

Scope

The scope of these petitions covers steel cylinders for compressed or liquefied propane, whether imported with or without a valve. Steel Propane Cylinders are portable, low-pressure steel tanks suitable for containing liquefied or compressed propane gas, and are typically composed of a tank with a single port, horse-shoe collar, foot ring, gauge, valve, and overflow preventer. This Petition covers steel cylinders of sizes ranging from 2.5 pound capacity (approximate tare weight of 4-6 pounds) to 40 pound capacity (approximate tare weight of 28-32 pounds). The subject propane cylinders are produced to meet the requirements of U.S. Department of Transportation (“USDOT”) specifications 4BA and 4BW for cylinders for hazardous material packaging.

Specifically excluded from the scope of the Petition are seamless steel propane cylinders and propane cylinders made from stainless steel (i.e., steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight), aluminum, and composite-material. Also excluded are steel propane cylinders that are designed for use with forklifts. Forklift propane cylinders have an elongated shape, more than one port, and a full-ring (rather than horse-shoe) collar.

Common sizes of the subject propane cylinders, by capacity measurement, are 4.25 pounds, 10 pounds, 11 pounds, 20 pounds, 30 pounds, and 40 pounds, although Steel Propane Cylinders can be made in other

sizes. The most common sizes are the 20 and 30 pound capacities.

Alleged Dumping and Subsidy Margins

The petitioners allege the following dumping margins:

China: 60.33 to 100.66 percent

- China: 60.33 to 100.66 percent
- Taiwan: 27.19 to 30.57 percent
- Thailand: 36.18 to 109.20 percent

No specific subsidy rates were alleged.

Estimated Schedule of Investigations

- May 22, 2018 – Petition is filed
- June 11, 2018 – DOC initiates investigation
- June 12, 2018 – ITC staff conference
- July 6, 2018 – Deadline for ITC preliminary injury determinations
- August 15, 2018 – Deadline for DOC preliminary CVD determination, if not postponed
- October 19, 2018 – Deadline for DOC preliminary CVD determination, if fully postponed
- October 29, 2018 – Deadline for DOC preliminary AD determination, if not postponed
- December 18, 2018 – Deadline for DOC preliminary AD determination, if fully postponed
- May 2, 2019 – Deadline for DOC final AD and CVD determinations, if both preliminary and final AD determination deadlines are fully postponed
- June 17, 2019 – Deadline for ITC final injury determinations, assuming fully postponed DOC deadlines

For further information, contact Douglas J. Heffner, Richard P. Ferrin, or any other member of the Customs and International Trade Team.

Customs and International Trade Team

Primary Contacts



Douglas J. Heffner
Partner
Washington, D.C.
(202) 230-5802
douglas.heffner@dbr.com



Richard P. Ferrin
Counsel
Washington, D.C.
(202) 230-5803
richard.ferrin@dbr.com

Drinker Biddle

www.drinkerbiddle.com

CALIFORNIA | DELAWARE | ILLINOIS | NEW JERSEY | NEW YORK | PENNSYLVANIA | TEXAS | WASHINGTON DC | LONDON

© 2018 Drinker Biddle & Reath LLP. All rights reserved. A Delaware limited liability partnership. Promotional Materials 2018. One Logan Square, Ste. 2000, Philadelphia, PA 19103-6996 (215) 988-2700 office (215) 988-2757 fax
Jonathan I. Epstein and Andrew B. Joseph, Partners in Charge of the Princeton and Florham Park, N.J., offices, respectively.