

Certain Standard Steel Fasteners From The People's Republic of China Are Under Attack by U.S. Fastener Industry:

Nucor Fastener Division files antidumping duty and countervailing duty petitions with the U.S. Department of Commerce and U.S. International Trade Commission.

On September 23, 2009, Nucor Fastener Division filed petitions for relief from allegedly unfairly traded standard steel fasteners from China and Taiwan. It alleges that standard steel fastener products from China and Taiwan are being sold at less than their fair value (“dumped”), and that the Government of the People’s Republic of China is unfairly subsidizing the production and export of standard steel fastener products from China.

Dumping occurs when a foreign company sells a product in the United States at less than its normal value. Subsidies are financial assistance from foreign governments that benefit the production, manufacture, or exportation of goods.

The petition alleges that standard steel fastener products from China are being dumped at a rates ranging from 68.70% to 208.70%, with an average of 145.05%. The petition also alleges that standard steel fastener products from Taiwan are being dumped at rates averaging 73.88%. The countervailing duty petition also alleges that the Chinese government is providing subsidies to Chinese producers and exporters of standard steel fastener products through nearly 40 subsidy programs, including intentional undervaluation of Chinese currency. Any antidumping or countervailing duties will impose additional import duty liabilities on importers of standard steel fasteners covered by the investigation.

Importers, producers, and exporters can participate in the U.S. International Trade Commission’s evaluation of whether standard steel fastener imports are injuring the U.S. domestic standard steel fastener industry by filling out and sending in a questionnaire response about production, importation, and sales of standard steel fasteners.

Further, to obtain a more favorable antidumping duty rate, producers from China must file separate rate applications by approximately December 15, 2009, with the U.S. Department of Commerce. (The exact date will be 60 days after the Department of Commerce publishes its Notice of Initiation of the Investigations in the Federal Register – on about October 15, 2009.) The Department of Commerce presumes that all producers in China are controlled by the Chinese government unless the producer can prove that it is not controlled by the Chinese government. To prove that it is not controlled by the Chinese government, a

producer must submit a separate rates application to the Department of Commerce. Separate rates applications must be filled out completely with the precise data and evidence required by the Department of Commerce. The consequence for submitting an incomplete separate rates application is rejection of the application. Because of the strict requirements of the separate rates application, and the extreme consequences of failing to satisfy those requirements, Chinese producers should hire U.S. trade attorneys to guide them through the process.

Producers that demonstrate that they are not controlled by the Chinese government (that is, that they are separate from Chinese-government-controlled entities) will receive a “separate rate”, which is an additional import duty rate lower than the rate assigned to producers deemed to be controlled by the Chinese government. Producers with lower rates will be able to offer their standards steel fastener products at a lower price to U.S. buyers than their Chinese competitors.

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Standard Steel Fasteners includes: Certain standard nuts, bolts, and cap screws of steel other than stainless steel, whether or not coated. Bolts and cap screws covered by the investigation possess either a round-shaped (i.e., dome-shaped), or hexagonal-shaped head, and having a shank or thread with a full or nominal diameter of 6 millimeters or more. Cap screws covered by the investigation typically have an attached washer face or the equivalent (e.g., chamfered corners on the underside of a fastener with a hexagonal-shaped head). Bolts and cap screws are covered by the investigation regardless of whether or not other attachments (e.g., nuts or washers) are connected to them. Nuts are covered by the investigation if they are suitable for attachment to bolts and/or cap screws covered by the investigation.

Subject merchandise is typically certified to the specifications published by one or more of the following organizations: the American Society for Testing and Materials ("ASTM"), the Society of Automotive Engineers ("SAE"), the International Organization for Standardization ("ISO"), the Industrial Fasteners Institute ("IFI"), and comparable foreign and domestic specifications (including, but not limited to, metric versions of any of the specifications below). Common specifications to which subject merchandise is certified include, but are not limited to: ASTM A194, ASTM A307, ASTM A307A, ASTM A325, ASTM A325M, ASTM A325T, ASTM A325-3, ASTM A354, ASTM A354 (grade BD), ASTM A449, ASTM A490, ASTM A490-3, ASTM A563 (grades C, C3, DH, and DH3), ASTM F568, ASTM F1852, ASTM F2280, SAE 2, SAE 5, SAE 8, SAE J429, SAE J1199,

ISO 898-1, ISO 898-2, ISO 4759-1, ISO 8992, and the IFI's "Inch Fastener Standards," and "Metric Fastener Standards."

Merchandise covered by this investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheadings: 7318.15.2030, 7318.15.2055, 7318.15.2065, 7318.15.8065, 7318.15.8085, and 7318.16.0085. While the HTSUS headings are provided for convenience and customs purposes, the written description of the scope is dispositive.

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