



FACT SHEET

Commerce Finds Dumping and Countervailable Subsidization of Imports of Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China

- On August 17, 2015, the Department of Commerce (Commerce) announced its affirmative final determinations in the antidumping duty (AD) and countervailing duty (CVD) investigations of imports of boltless steel shelving units prepackaged for sale (boltless steel shelving) from the People's Republic of China (China).
- The AD and CVD laws provides U.S. businesses and workers with a transparent and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce determined that imports of boltless steel shelving from China have been sold in the United States at dumping margins ranging from 17.55 percent to 112.68 percent.
- Commerce also determined that imports of boltless steel shelving from China have received countervailable subsidies ranging from 12.40 percent to 80.45 percent.
- In the AD investigation, one mandatory respondent, Zhongda United Holding Group Co., Ltd., Trade Co., Ltd. received a final dumping margin of 17.55 percent. The other mandatory respondent, Nanjing Topsun Racking Manufacturing Co., Ltd., received total adverse facts available, as part of the China-wide entity. Four other exporters qualified for a separate rate of 17.55 percent. All other producers/exporters in China received the China-wide dumping margin of 112.68 percent, based on adverse facts available because the China-wide entity failed to cooperate to the best of its ability, and failed to respond to Commerce's questionnaire.
- In the CVD investigation, mandatory respondents Nanjing Topsun Racking Manufacturing Co., Ltd. and Ningbo ETDZ Huixing Trade Co., Ltd. received final subsidy rates of 15.05 percent and 12.40 percent, respectively. All other producers/exporters in China received a final subsidy rate of 13.73 percent. In addition, 14 companies which did not respond to the quantity and value questionnaire received a final subsidy rate of 80.45 percent, based on adverse facts available.
- As a result of the final affirmative AD determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits equal to the applicable weighted-average dumping margins. Further, as a result of the affirmative final CVD determination, and if the U.S. International Trade Commission (ITC) issues an affirmative injury determination, Commerce will order the resumption of the suspension of liquidation and require a cash deposit for CVD duties equal to the

final subsidy rates for the mandatory respondents and all other producers and exporters not selected for investigation. If the ITC issues a negative injury determination, both investigations will be terminated and no producers or exporters will be subject to future cash deposits for either AD or CVD duties. In such an event, all cash deposits already collected will be refunded.

- The petitioner for these investigations is Edsal Manufacturing Company, Inc. (IL).
- The scope of these investigations covers boltless steel shelving units prepackaged for sale, with or without decks (boltless steel shelving). 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, tie-bars 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-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).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;¹
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a

¹ The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;

- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (HTSUS) statistical subheadings 9403.20.0018 and 9403.20.0020, but may also enter through HTSUS 9403.10.0040. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

- In 2013, imports of boltless steel shelving from China were valued at an estimated \$81 million.²

NEXT STEPS

- The ITC is scheduled to make its final injury determination on or about September 28, 2015.
- If the ITC makes an affirmative final determination that imports of boltless steel shelving from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD and CVD orders. If the ITC makes a negative determination of injury, the investigations will be terminated.

FINAL DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSITS
China	Zhongda United Holding Group Co., Ltd.	17.55%	1.49%
	Separate Rate Companies: Meridian International Co., Ltd., Ningbo ETDZ Huixing Trade Co., Ltd., Zhejiang Limai Metal Products Co., Ltd. HoiFat (NingBo) Office Facilities Co., Ltd.	17.55%	1.49%
	China-Wide Rate (including Nanjing Topsun Racking Manufacturing Co., Ltd.)	112.68%	96.62%

NOTE: The cash deposit rates are adjusted to account for the applicable export subsidy rate of 16.06 percent for Zhongda United Holding Group Co., LTD., Separate Rate Companies as listed, and for the China-Wide rate.

² Because the HTS numbers listed in the scope are basket categories covering metal furniture, the quantity reflected in CBP data grossly overestimates imports of this product into the U.S. This value is derived from data contained in the Petition.

FINAL SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATES
China	Nanjing Topsun Racking Manufacturing Co., Ltd.	15.05%
	Ningbo ETDZ Huixing Trade Co., Ltd.	12.40%
	China-Wide Rate	13.73%
	Companies that did not respond to the quantity and value questionnaire (see attached list)	80.45%

CASE CALENDAR:

EVENT	CVD INVESTIGATION	AD INVESTIGATION
Petitions Filed	August 26, 2014	August 26, 2014
DOC Initiation Date	September 15, 2014	September 15, 2014
ITC Preliminary Determination	October 10, 2014	October 10, 2014
DOC Preliminary Determinations	January 23, 2015	March 24, 2015
DOC Final Determinations	August 14, 2015	August 14, 2015
ITC Final Determination	September 28, 2015	September 28, 2015
Issuance of Orders*	October 5, 2015	October 5, 2015

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703(b) and 705(a)(1) of the Tariff Act of 1930, as amended (the Act). For AD investigations, the deadline is set forth in section 735(a) of the Act. These deadlines may be extended under certain circumstances.

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

IMPORT STATISTICS:

CHINA	2011	2012	2013
Value (USD)	50,000,000	60,00,0000	81,000,000

Source: Data derived from the Petition.

Attachment – Companies that did not respond to the quantity and value questionnaire

Dalian Huameilong Metal Products Co., Ltd.
Dongguan Yuan Er Sheng Machinery Source Hardware Co., Ltd.
Dong Rong Metal Products Co., Ltd.
Global Storage Equipment Manufacturer Limited
Intradin (Shanghai) Import & Export Co., Ltd.
Jinhua Development District Hongfa Tool, Ltd.
Kunshan Jisheng Metal & Plastic Co., Ltd.
Nanjing Huade Warehousing Equipment Manufacturing Co. Ltd.
Nanjing Whitney Metal Products Co., Ltd.
Nanjing Yodoly Logistics Equipments Manufacturing Co. , Ltd.
Ningbo Decko Metal Products Trade Co., Ltd.
Ningbo Haifa Metal Works Co., Ltd.
Ningbo HaiFa Office Equipment Co., Ltd.
Ningbo TLT Metal Products Co., Ltd.