



## FACT SHEET

### **Commerce Initiates Antidumping Duty and Countervailing Duty Investigations of Imports of Utility Scale Wind Towers from Canada, Indonesia, Korea (AD only), and Vietnam**

- On July 30, 2019, the Department of Commerce (Commerce) announced the initiation of antidumping duty (AD) and countervailing duty (CVD) investigations of imports of utility scale wind towers from Canada, Indonesia, Korea (AD only), and Vietnam. Although there is already an existing AD order on utility scale wind towers from Vietnam, the petition was filed with respect to one company that was excluded from the existing order, and as noted below, the scope language for the investigations specifically excludes utility scale wind towers already subject to the existing order.
- The AD and CVD laws provide U.S. businesses and workers with a transparent, quasi-judicial, 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, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- The petitioner is the Wind Tower Trade Coalition, the members of which are Arcosa Wind Towers Inc. (Dallas, TX) and Broadwind Towers, Inc. (Manitowoc, WI).
- The merchandise covered by the scope of these investigations consists of certain wind towers, whether or not tapered, and sections thereof. Certain wind towers support the nacelle and rotor blades in a wind turbine with a minimum rated electrical power generation capacity in excess of 100 kilowatts and with a minimum height of 50 meters measured from the base of the tower to the bottom of the nacelle (*i.e.*, where the top of the tower and nacelle are joined) when fully assembled.

A wind tower section consists of, at a minimum, multiple steel plates rolled into cylindrical or conical shapes and welded together (or otherwise attached) to form a steel shell, regardless of coating, end-finish, painting, treatment, or method of manufacture, and with or without flanges, doors, or internal or external components (*e.g.*, flooring/decking, ladders, lifts, electrical buss boxes, electrical cabling, conduit, cable harness for nacelle generator, interior lighting, tool and storage lockers) attached to the wind tower section. Several wind tower sections are normally required to form a completed wind tower.

Wind towers and sections thereof are included within the scope whether or not they are joined with nonsubject merchandise, such as nacelles or rotor blades, and whether or not they have internal or external components attached to the subject merchandise.

Specifically excluded from the scope are nacelles and rotor blades, regardless of whether they are attached to the wind tower. Also excluded are any internal or external components which are not

attached to the wind towers or sections thereof, unless those components are shipped with the tower sections.

Further, excluded from the scope of the antidumping duty investigations are any products covered by the existing antidumping duty order on utility scale wind towers from the Socialist Republic of Vietnam. See *Utility Scale Wind Towers from the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 78 FR 11150 (February 15, 2013).

Merchandise covered by these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7308.20.0020 or 8502.31.0000. Wind towers of iron or steel are classified under HTSUS 7308.20.0020 when imported separately as a tower or tower section(s). Wind towers may be classified under HTSUS 8502.31.0000 when imported as combination goods with a wind turbine (*i.e.*, accompanying nacelles and/or rotor blades). While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

- In 2018, imports of utility scale wind towers from Canada, Indonesia, Korea, and Vietnam were valued at an estimated \$60.2 million, \$37.4 million, \$50 million, and \$21.4 million, respectively.
- The Initiation Decision Checklists are on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. Please refer to case numbers: A-122-867 for the AD investigation and C-122-868 for the CVD investigation for Canada, A-560-833 for the AD investigation and C-560-834 for the CVD investigation for Indonesia, A-580-902 for the AD investigation for Korea, and A-552-825 for the AD investigation and C-552-826 for the CVD investigation for Vietnam.

## NEXT STEPS

- The U.S. International Trade Commission (ITC) is scheduled to make its preliminary injury determinations on or before August 23, 2019.
- If the ITC determines that there is a reasonable indication that imports of utility scale wind towers from Canada, Indonesia, Korea, and/or Vietnam materially injure, or threaten material injury to, the domestic industry in the United States, the investigations will continue, and Commerce will be scheduled to announce its preliminary CVD determinations on October 3, 2019, and its preliminary AD determinations on December 17, 2019, although these dates may be extended. If the ITC's determinations are negative, the investigations will be terminated.

## ALLEGED DUMPING MARGINS:

COUNTRY	DUMPING MARGINS
Canada	53.63-61.59 percent
Indonesia	26.00-47.19 percent
Korea	280.69-331.26 percent
Vietnam	39.97-65.96 percent

## ESTIMATED SUBSIDY RATES:

COUNTRY	SUBSIDY RATE
Canada	Above <i>de minimis</i> *
Indonesia	Above <i>de minimis</i> *
Vietnam	Above <i>de minimis</i> *

\* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

## CASE CALENDAR:

EVENT	CVD INVESTIGATIONS	AD INVESTIGATIONS
Petitions Filed	July 9, 2019	July 9, 2019
DOC Initiation Date	July 29, 2019	July 29, 2019
ITC Preliminary Determinations*	August 23, 2019	August 23, 2019
DOC Preliminary Determinations	October 2, 2019	December 16, 2019
DOC Final Determinations	December 16, 2019	March 2, 2020 <sup>†</sup>
ITC Final Determinations**	January 30, 2020	April 16, 2020
Issuance of Orders***	February 6, 2020	April 23, 2020

NOTE: Commerce's 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 deadlines are set forth in sections 733(b) and 735(a) of the Act. These deadlines may be extended under certain circumstances.

\* If the ITC makes a negative preliminary determination of injury, the investigations are terminated.

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

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

<sup>†</sup> Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

**IMPORT STATISTICS:**

<b>CANADA</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Volume (metric tons)	20,688	25,774	27,432
Value (USD)	47,467,560	41,393,902	60,204,526
<b>INDONESIA</b>			
Volume (metric tons)	50,638	18,063	23,759
Value (USD)	95,719,974	55,780,717	37,418,183
<b>KOREA</b>			
Volume (metric tons)	12,363	2,796	34,937
Value (USD)	32,511,718	6,014,783	50,015,775
<b>VIETNAM</b>			
Volume (metric tons)	8,522	0	14,138
Value (USD)	23,680,000	0	21,441,256

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS) subheading 7308.20.0020).