

## ***NEWS RELEASE***

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### **U.S. STAINLESS STEEL SHEET AND STRIP PRODUCERS ENCOURAGED BY COMMERCE DEPARTMENT'S AFFIRMATIVE PRELIMINARY DETERMINATION IN ANTIDUMPING INVESTIGATION**

(Washington, D.C.) (September 12, 2016) – The U.S. Department of Commerce today announced its preliminary determination that imports of stainless steel sheet and strip from China are being sold at less than fair value (or “dumped”) in the United States. As a result, the Commerce Department will instruct U.S. Customs and Border Protection (“CBP”) to begin requiring U.S. importers of stainless steel sheet and strip from China to deposit estimated antidumping duties at the time of importation. Further, based on its previously announced preliminary affirmative critical circumstances determination, the Commerce Department will instruct CBP to require U.S. importers to post security equal to the preliminary antidumping rates on entries of stainless steel sheet and strip from China that were imported into the United States on or after the date that is 90 days prior to the date of publication in the Federal Register of the affirmative preliminary antidumping duty determination.

The Commerce Department assigned a preliminary antidumping margin of 76.64 percent of the value of the imported stainless steel sheet and strip to Shanxi Taigang Stainless Steel Co., Ltd., the sole Chinese respondent that was subject to mandatory investigation. The Commerce Department established a preliminary antidumping margin of 63.86 percent for two Chinese entities with operations that the agency determined are not controlled by the Government of China and, thus, were preliminarily determined to be eligible for a company-specific separate rate. In addition, the Commerce Department established a preliminary antidumping duty margin of 76.64 percent on imports of stainless steel sheet and strip from all other Chinese entities.

The Commerce Department’s determinations follow the filing, on February 12, 2016, of antidumping and countervailing (or subsidy) duty petitions by domestic stainless steel sheet and strip producers AK Steel Corporation (NYSE: AKS), Allegheny Ludlum, LLC d/b/a ATI Flat Rolled Products, an Allegheny Technologies company (NYSE: ATI), North American Stainless, and Outokumpu USA, LLC. On July 12, 2016, the Commerce Department announced its preliminary determination that imports of stainless steel sheet and strip from China benefit from subsidies bestowed by the Government of China, with subsidy margins ranging from 57.30 percent to 193.12 percent of the value of the imported product. The antidumping margins announced today by the Commerce Department will generally be applied in combination with the previously announced subsidy margins calculated by the agency.

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John M. Herrmann, of Kelley, Drye & Warren LLP, counsel to the domestic stainless steel sheet and strip industry, stated, “We are very pleased with the Commerce Department’s affirmative preliminary determination that producers of stainless steel sheet and strip in China are selling their merchandise in the United States at significant dumping margins. The requirement that U.S. importers begin to post estimated antidumping duties on stainless steel sheet and strip from China – in combination with the existing requirement that importers post estimated countervailing duties on such shipments – will help to eliminate unfair trade and restore a level playing field in the U.S. market.”

The next step in the trade action will be the Commerce Department’s verification of factual information submitted by the Chinese producer participating in the investigations and the Government of China. There will then be an opportunity for parties to submit case and rebuttal briefs to the Commerce Department and to participate in a hearing. Following these events, the Commerce Department will issue its final antidumping and countervailing determinations. The current deadline for the announcement of these final determinations is in late November 2016, although the deadline could be extended until late January 2017.

Stainless steel sheet and strip is a flat-rolled alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. Stainless steel sheet and strip is used in consumer and industrial applications where the corrosion resistance, heat resistance, or design characteristics of stainless steel are required.

The petitioners are represented in these actions by Kathleen W. Cannon, David A. Hartquist, John M. Herrmann, and Grace W. Kim of the law firm Kelley Drye & Warren LLP.

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