



FACT SHEET

Commerce Preliminarily Finds Dumping of Imports of Steel Racks from the People's Republic of China

- On February 26, 2019, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of steel racks from the People's Republic of China (China).
- The AD law provides 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 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 an imported product in the United States at less than fair value.
- Commerce assigned a preliminary dumping margin of 18.08 percent to mandatory respondent Nanjing Dongsheng Shelf Manufacturing Co., Ltd. Commerce determined a preliminary dumping margin of 144.50 percent for the China-wide entity, based entirely on adverse facts available. Commerce preliminarily determined a dumping margin of 18.08 percent for all other exporters from China that Commerce found to be eligible for a separate rate.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary margins.
- The petitioner is the Coalition for Fair Rack Imports, the members of which are Bulldog Rack Company (Weirton, WV), Hannibal Industries, Inc. (Los Angeles, CA), Husky Rack and Wire (Denver, NC), Ridg-U-Rak, Inc. (North East, PA), SpaceRak (Marysville, MI), Speedrack Products Group, Ltd. (Sparta, MI), Steel King Industries, Inc. (Stevens Point, WI), Tri-Boro Shelving & Partition Corp. (Farmville, VA), and UNARCO Material Handling, Inc. (Springfield, TN).
- The merchandise covered by these investigations is steel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (*e.g.*, uprights, posts, or columns), horizontal or diagonal components (*e.g.*, arms or beams), braces, frames, locking devices (*e.g.*, end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, row spacers, and wall ties).
- Subject steel racks and parts thereof are made of steel, including, but not limited to, cold and/or hot formed steel, regardless of the type of steel used to produce the components and may, or may not, include locking tabs, slots, or bolted, clamped, or welded connections. Subject steel racks have the following physical characteristics:

(1) Each steel vertical and horizontal load bearing member (*e.g.*, arms, beams, posts, and columns) is composed of steel that is at least 0.044 inches thick;

- (2) Each steel vertical and horizontal load bearing member (*e.g.*, arms, beams, posts, and columns) is composed of steel that has a yield strength equal to or greater than 36,000 pounds per square inch;
 - (3) The width of each steel vertical load bearing member (*e.g.*, posts and columns) exceeds two inches; and
 - (4) The overall depth of each steel roll-formed horizontal load bearing member (*e.g.*, beams) exceeds two inches.
- In the case of steel horizontal load bearing members other than roll-formed (*e.g.*, structural beams, Z-beams, or cantilever arms), only the criteria in subparagraphs (1) and (2) apply to these horizontal load bearing members. The depth limitation in subparagraph (4) does not apply to steel horizontal load bearing members that are not roll-formed.
 - Steel rack components can be assembled into structures of various dimensions and configurations by welding, bolting, clipping, or with the use of devices such as clips, end plates, and beam connectors, including, but not limited to the following configurations: 1) racks with upright frames perpendicular to the aisles that are independently adjustable, with positive-locking beams parallel to the aisle spanning the upright frames with braces; and 2) cantilever racks with vertical components parallel to the aisle and cantilever beams or arms connected to the vertical components perpendicular to the aisle. Steel racks may be referred to as pallet racks, storage racks, stacker racks, retail racks, pick modules, selective racks, or cantilever racks and may incorporate moving components and be referred to as pallet-flow racks, carton-flow racks, push-back racks, movable-shelf racks, drive-in racks, and drive-through racks. While steel racks may be made to ANSI MH16.1 or ANSI MH16.3 standards, all steel racks and parts thereof meeting the description set out herein are covered by the scope of this investigation, whether or not produced according to a particular standard.
 - The scope includes all steel racks and parts thereof meeting the description above, regardless of
 - (1) other dimensions, weight, or load rating;
 - (2) vertical components or frame type (including structural, roll-form, or other);
 - (3) horizontal support or beam/brace type (including but not limited to structural, roll-form, slotted, unslotted, Z-beam, C-beam, L-beam, step beam, and cantilever beam);
 - (4) number of supports;
 - (5) number of levels;
 - (6) surface coating, if any (including but not limited to paint, epoxy, powder coating, zinc, or other metallic coatings);
 - (7) rack shape (including but not limited to rectangular, square, corner, and cantilever);
 - (8) the method by which the vertical and horizontal supports connect (including but not limited to locking tabs or slots, bolting, clamping, and welding); and
 - (9) whether or not the steel rack has moving components (including but not limited to rails, wheels, rollers, tracks, channels, carts, and conveyors).
 - Subject merchandise includes merchandise matching the above description that has been finished or packaged in a third country. Finishing includes, but is not limited to, coating, painting, or assembly, including attaching the merchandise to another product, or any other finishing or assembly operation that would not remove the merchandise from the scope of the investigation if performed in the country of manufacture of the steel racks and parts thereof. Packaging includes packaging the merchandise with or without another product or any other packaging operation that would not remove the merchandise from

the scope of the investigation if performed in the country of manufacture of the steel racks and parts thereof.

- Steel racks and parts thereof are included in the scope of this investigation whether or not imported attached to, or included with, other parts or accessories such as wire decking, nuts, and bolts. If steel racks and parts thereof are imported attached to, or included with, such non-subject merchandise, only the steel racks and parts thereof are included in the scope.
- The scope of this investigation does not cover: 1) decks, *i.e.*, shelving that sits on or fits into the horizontal supports to provide the horizontal storage surface of the steel racks; 2) wire shelving units, *i.e.*, units made from wire that incorporate both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create a finished unit; 3) pins, nuts, bolts, washers, and clips used as connecting devices; and 4) non-steel components.
- Specifically excluded from the scope of this investigation are any products covered by Commerce's existing antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from the People's Republic of China. *See Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Antidumping Duty Order*, 80 Fed. Reg. 63,741 (October 21, 2017); *Boltless Steel Shelving Units Prepackaged for Sale From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 Fed. Reg. 63,745 (October 21, 2017).
- Also excluded from the scope of this investigation are bulk-packed parts or components of boltless steel shelving units that were specifically excluded from the scope of the Boltless Steel Shelving Orders because such bulk-packed parts or components do not contain the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) packaged together for assembly into a completed boltless steel shelving unit.
- Such excluded components of boltless steel shelving are defined as:
 - (1) boltless horizontal supports (beams, braces) that have each of the following characteristics: (a) a length of 95 inches or less, (b) made from steel that has a thickness of 0.068 inches or less, and (c) a weight capacity that does not exceed 2500 lbs per pair of beams for beams that are 78" or shorter, a weight capacity that does not exceed 2200 lbs per pair of beams for beams that are over 78" long but not longer than 90", and/or a weight capacity that does not exceed 1800 lbs per pair of beams for beams that are longer than 90";
 - (2) shelf supports that mate with the aforementioned horizontal supports; and
 - (3) boltless vertical supports (upright welded frames and posts) that have each of the following characteristics: (a) a length of 95 inches or less, (b) with no face that exceeds 2.90 inches wide, and (c) made from steel that has a thickness of 0.065 inches or less.
- Excluded from the scope of this investigation are: (1) wall-mounted shelving and racks, defined as shelving and racks that suspend all of the load from the wall, and do not stand on, or transfer load to, the floor; (2) ceiling-mounted shelving and racks, defined as shelving and racks that suspend all of the load from the ceiling and do not stand on, or transfer load to, the floor; and (3) wall/ceiling mounted shelving and racks, defined as shelving and racks that suspend the load from the ceiling and the wall and do not

stand on, or transfer load to, the floor. The addition of a wall or ceiling bracket or other device to attach otherwise subject merchandise to a wall or ceiling does not meet the terms of this exclusion.

- Also excluded from the scope of this investigation is scaffolding that complies with ANSI/ASSE A10.8 - 2011 – Scaffolding Safety Requirements, CAN/CSA S269.2-M87 (Reaffirmed 2003) – Access Scaffolding for Construction Purposes, and/or Occupational Safety and Health Administration regulations at 29 C.F.R. Part 1926 subpart L – Scaffolds.
- Also excluded from the scope of this investigation are tubular racks such as garment racks and drying racks, *i.e.*, racks in which the load bearing vertical and horizontal steel members consist solely of: (1) round tubes that are no more than two inches in diameter; (2) round rods that are no more than two inches in diameter; (3) other tubular shapes that have both an overall height of no more than two inches and an overall width of no more than two inches; and/or (4) wire.
- Also excluded from the scope of this investigation are portable tier racks. Portable tier racks must meet each of the following criteria to qualify for this exclusion:
 - (1) They are freestanding, portable assemblies with a fully welded base and four freely inserted and easily removable corner posts;
 - (2) They are assembled without the use of bolts, braces, anchors, brackets, clips, attachments, or connectors;
 - (3) One assembly may be stacked on top of another without applying any additional load to the product being stored on each assembly, but individual portable tier racks are not securely attached to one another to provide interaction or interdependence; and
 - (4) The assemblies have no mechanism (*e.g.*, a welded foot plate with bolt holes) for anchoring the assembly to the ground.
- Also excluded from the scope of this investigation are accessories that are independently bolted to the floor and not attached to the rack system itself, *i.e.*, column protectors, corner guards, bollards, and end row and end of aisle protectors.
- Merchandise covered by this investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings: 7326.90.8688, 9403.20.0080, and 9403.90.8041. Subject merchandise may also enter under subheadings 7308.90.3000, 7308.90.6000, 7308.90.9590, and 9403.20.0090. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.
- In 2017, the petitioner estimated that imports of steel racks from China were valued at approximately \$200 million.
- The Preliminary Decision Memorandum is 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 number A-570-088.

NEXT STEPS

- Commerce is scheduled to announce its final determination on or about July 18, 2019.

- If Commerce makes an affirmative final determination, and the U.S. International Trade Commission (ITC) makes an affirmative final determination that imports of steel racks from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order. If either Commerce or the ITC issue negative final determinations, no AD order will be issued. The ITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

PRELIMINARY DUMPING MARGINS:

COUNTRY	EXPORTER/PRODUCER	DUMPING MARGINS	CASH DEPOSIT RATES
China	Nanjing Dongsheng Shelf Manufacturing Co., Ltd.	18.08%	18.08%
	Separate Rate Companies*	18.08%	18.08%
	China-Wide	144.50%	144.50%

*See Attachment.

CASE CALENDAR:

EVENT	DATE
Petition Filed	June 20, 2018
DOC Initiation Date	July 10, 2018
ITC Preliminary Determination	August 9, 2018
DOC Preliminary Determination	February 25, 2019
DOC Final Determination	July 17, 2019
ITC Final Determination*	September 3, 2019
Issuance of Order**	September 10, 2019

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For AD investigations, the deadlines are set forth in sections 733(b) and 735(a)(1) of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

*This will take place only in the event of an affirmative final determination from Commerce.

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

IMPORT STATISTICS

CHINA	2015	2016	2017
Quantity (metric tons)	307,330	320,804	371,082
Value (USD)	1,033,127,716	1,007,826,153	1,184,929,288

Source: U.S. Census Bureau, accessed through Global Trade Atlas (Harmonized Tariff Schedule of the United States (HTSUS 7326.90.8588 (for 2015-2016) and 7326.90.8688 (for 2017)). Imports of steel racks enter under HTSUS subheadings which are large basket categories and cover a significant amount of non-subject merchandise. Therefore, the import statistics in the table above, which are based on one of the primary HTSUS subheadings in the scope, are overstated. The petitioner estimated that imports of steel racks were valued at approximately \$200 million in 2017.

ATTACHMENT

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent)
Ateel Display Industries (Xiamen) Co., Ltd.	Ateel Display Industries (Xiamen) Co., Ltd.	18.08 %
CTC Universal (Zhangzhou) Industrial Co., Ltd.	CTC Universal (Zhangzhou) Industrial Co., Ltd.	18.08 %
David Metal Craft Manufactory Ltd.	David Metal Craft Manufactory Ltd.	18.08 %
Guangdong Wireking Housewares and Hardware Co., Ltd.	Guangdong Wireking Housewares and Hardware Co., Ltd.	18.08 %
Hebei Minmetals Co., Ltd.	Hebei Wuxin Garden Products Co., Ltd;	18.08 %
Hebei Minmetals Co., Ltd.	Huanghua Xinxing Furniture Co., Ltd.;	18.08 %
Hebei Minmetals Co., Ltd.	Huanghua Xingyu Hardware Products Co., Ltd.;	18.08 %
Hebei Minmetals Co., Ltd.	Huangua Qingxin Hardware Products Co., Ltd.;	18.08 %
Hebei Minmetals Co., Ltd.	Huangua Haixin Hardware Products Co., Ltd.;	18.08 %
Hebei Minmetals Co., Ltd.	Huanghua Hualing Hardware Products Co., Ltd.	18.08 %
i-Lift Equipment Ltd.	Yuanda Storage Equipment Ltd.	18.08 %
Jiangsu Nova Intelligent Logistics Equipment Co., Ltd.	Jiangsu Nova Intelligent Logistics Equipment Co., Ltd.	18.08 %
Johnson (Suzhou) Metal Products Co., Ltd.	Johnson (Suzhou) Metal Products Co., Ltd.	18.08 %
Master Trust (Xiamen) Import and Export Co., Ltd.	Zhangzhou Hongcheng Hardware & Plastic Industry Co., Ltd.	18.08 %
Nanjing Ironstone Storage Equipment Co., Ltd.	Jiangsu Baigeng Logistics Equipments Co., Ltd	18.08 %
Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.	Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.	18.08 %

Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.	Jiangsu Kingmore Storage Equipment Manufacturing Co., Ltd.	18.08 %
Ningbo Beilun Songyi Warehouse Equipment Manufacturing Co., Ltd.	Ningbo Beilun Songyi Warehouse Equipment Manufacturing Co., Ltd.	18.08 %
Ningbo Xinguang Rack Co., Ltd.	Ningbo Xinguang Rack Co., Ltd.	18.08 %
Qingdao Rockstone Logistics Appliance Co., Ltd.	Qingdao Rockstone Logistics Appliance Co., Ltd.	18.08 %
Redman Corporation	Redman Corporation	18.08 %
Redman Import & Export Limited	Redman Corporation	18.08 %
Suzhou (China) Sunshine Hardware & Equipment Imp. & Exp. Co. Ltd.	Changzhou Tianyue Storage Equipment Co., Ltd.	18.08 %
Suzhou (China) Sunshine Hardware & Equipment Imp. & Exp. Co. Ltd.	Ningbo Beilun Songyi Warehouse Equipment Manufacturing Co., Ltd.	18.08 %
Tianjin Master Logistics Equipment Co., Ltd.	Tianjin Master Logistics Equipment Co., Ltd.	18.08 %
Waken Display System Co., Ltd.	CTC Universal (Zhangzhou) Industrial Co., Ltd.	18.08 %
Xiamen Aifeimetal Manufacturing Co., Ltd.	Xiamen Aifeimetal Manufacturing Co., Ltd.	18.08 %
Xiamen Baihuide Manufacturing Co., Ltd.	Xiamen Baihuide Manufacturing Co., Ltd.	18.08 %
Xiamen Ever Glory Fixtures Co., Ltd.	Fujian First Industry and Trade Co., Ltd.	18.08 %
Xiamen Ever Glory Fixtures Co., Ltd.	Fujian Ever Glory Fixtures Co., LTD.	18.08 %
Xiamen Ever Glory Fixtures Co., Ltd.	Xiamen Ever Glory Fixtures Co., Ltd.	18.08 %
Xiamen Golden Trust Industry & Trade Co., Ltd.	Xiamen Golden Trust Industry & Trade Co., Ltd.	18.08 %
Xiamen Kingfull Imp and Exp Co., Ltd. (d.b.a) Xiamen Kingfull Displays Co., Ltd.	Xiamen Huiyi Beauty Furniture Co., Ltd.,	18.08 %
Xiamen Kingfull Imp and Exp Co., Ltd. (d.b.a) Xiamen Kingfull Displays Co., Ltd.	Xiamen LianHong Industry and Trade Co., Ltd.	18.08 %

Xiamen LianHong Industry and Trade Co., Ltd.	Xiamen LianHong Industry and Trade Co., Ltd.	18.08 %
Xiamen Luckyroc Industry Co., Ltd.	Xiamen Luckyroc Storage Equipment Manufacture Co., Ltd.	18.08 %
Xiamen Meitoushan Metal Product Co., Ltd.	Xiamen Meitoushan Metal Product Co., Ltd.	18.08 %
Xiamen Power Metal Display Co., Ltd.	Xiamen Power Metal Display Co., Ltd.	18.08 %
Xiamen XinHuiYuan Industrial & Trade Co., Ltd.	Xiamen XinHuiYuan Industrial & Trade Co., Ltd.	18.08 %
Xiamen Yiree Display Fixtures Co., Ltd	Xiamen Yiree Display Fixtures Co., Ltd	18.08 %
Zhangjiagang Better Display Co., Ltd	Zhangjiagang Better Display Co., Ltd	18.08 %