Portfolio Media. Inc. | 860 Broadway, 6th Floor | New York, NY 10003 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Commerce Tees Up Duties On Venezuelan Steel Inputs

By **Alex Lawson**

Law360, New York (July 25, 2014, 2:37 PM ET) -- The U.S. Department of Commerce on Friday found that Venezuelan companies have been selling an additive used in steel production at unfairly low prices in the U.S. in a move that clears the way for remedial duties while also finding that Russian shippers had not dumped their products.

Commerce's International Trade Administration determined that imports of ferrosilicon originating in Venezuela have been dumped on the U.S. market at a rate of 22.84 percent, a slight dip from the 27 percent dumping margin laid out in a preliminary ruling in March. Because the agency found no dumping on the part of the named Russian respondent, that investigation is terminated.

With a final dumping margin for the Venezuelan imports now on the books, Commerce will impose anti-dumping duties to offset the price difference only if the U.S. International Trade Commission deems domestic ferrosilicon producers to be injured or threatened by the competing Venezuelan shipments.

“If the ITC makes an affirmative final determination that imports of ferrosilicon from Venezuela materially injure, or threaten material injury to, the domestic industry, Commerce will issue an AD order,” Commerce said in a fact sheet. “If the ITC makes a negative determination of injury, the investigation will be terminated.”

Friday's rulings trace their roots to petitions filed a year ago by domestic ferrosilicon producers Globe Specialty Metals Inc., CC Metals and Alloys LLC, which claimed to be losing market share and sales because the foreign competition was selling its products at below fair value. The alloy is used in steelmaking and the production of iron castings.

The ITC has already found that the domestic industry is facing a threat from the Venezuelan and Russian competition, though only on a preliminary basis. It is expected to issue its final injury determination on or around Sept. 7, according to Commerce.

Commerce's finding that Russia had not dumped ferrosilicon in the U.S. was not a surprising move, as the agency had already rendered such a finding during the preliminary stage of the investigation. Mayer Brown LLP partner Sydney H. Mintzer, who represented the Russian respondent in the case, told Law360 that Commerce made the right call in sticking to that finding.

“We certainly felt that the data always supported the finding of a zero margin and we're certainly very pleased that the department upheld its preliminary finding,” Mintzer said.

Julie Mendoza, a Morris Manning & Martin LLP partner representing the Venezuelan respondent, said that the removal of Russia from the probe improved her client's chances of prevailing at the ITC's injury hearing because Russian imports accounted for roughly three-quarters of the imports in the case.

An attorney for the petitioners did not immediately respond to a request for comment Friday.

The petitioners are represented by William Kramer and Martin Schaefermeier of DLA Piper LLP.

The respondents are represented by Donald B. Cameron, Julie C. Mendoza, R. Will Planert and Brady W. Mills of Morris Manning & Martin LLP and by Sydney H. Mintzer of Mayer Brown LLP.

The cases are Ferrosilicon from Russia and Venezuela, investigation numbers A-307-824 and A-821-820 before the U.S. International Trade Commission.

--Editing by Rebecca Flanagan.