

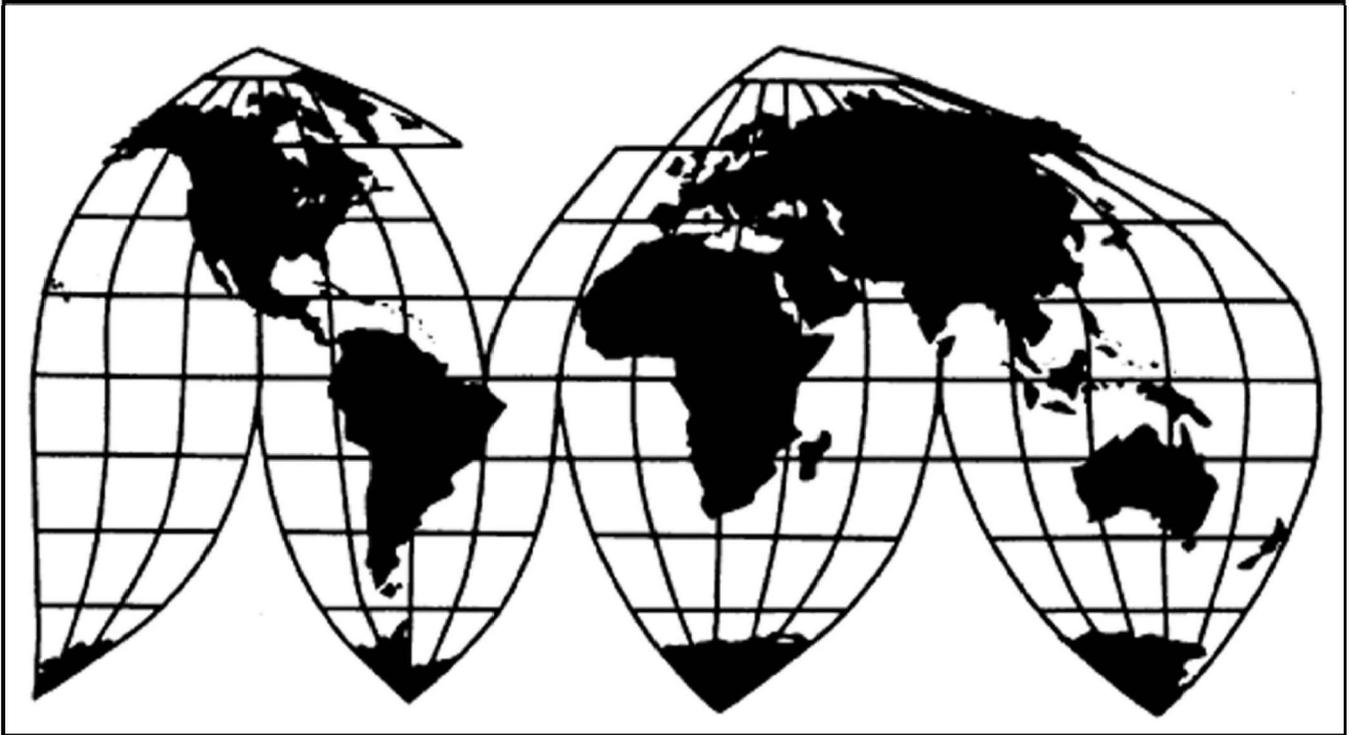
Refillable Stainless Steel Kegs from China and Germany

Investigation Nos. 701-TA-610 and 731-TA-1425-1426 (Final)

Publication 5002

December 2019

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-610 and 731-TA-1425-1426 (Final)

Refillable Stainless Steel Kegs from China and Germany

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially retarded by reason of imports of refillable stainless steel kegs from China and Germany, provided for in subheadings 7310.10 and 7310.29 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”),² and to be subsidized by the government of China.^{3 4 5}

BACKGROUND

The Commission instituted these investigations effective September 20, 2018, following receipt of a petition filed with the Commission and Commerce by American Keg Company, LLC, Pottstown, Pennsylvania. Effective June 4, 2019, the Commission established a general schedule for the conduct of the final phase of the investigations following notification of preliminary determinations by Commerce that imports of refillable stainless steel kegs were being subsidized by the government of China⁶ within the meaning of section 703(b) of the Act

¹ The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

² 84 FR 57010, October 24, 2019, and 84 FR 57008, October 24, 2019.

³ 84 FR 57005, October 24, 2019.

⁴ The Commission also finds that imports subject to Commerce’s affirmative critical circumstances determinations are not likely to undermine seriously the remedial effect of the countervailing and antidumping duty orders on refillable stainless steel kegs from China.

⁵ Commissioners Randolph J. Stayin and Amy A. Karpel did not participate in these investigations.

⁶ 84 FR 13634, April 5, 2019.

and that imports of refillable stainless steel kegs from China,⁷ Germany,⁸ and Mexico⁹ were being sold at LTFV within the meaning of 733(b) of the Act. Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on June 17, 2019 (84 FR 28070). The hearing was held in Washington, DC, on August 14, 2019, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Following notification of final determinations by Commerce that imports of refillable stainless steel kegs were being subsidized by the government of China and that imports of refillable stainless steel kegs from China and Germany were being sold in the United States at LTFV, notice of the supplemental scheduling of the final phase of the Commission's countervailing and antidumping duty investigations was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of November 6, 2019 (84 FR 59840).

⁷ 84 FR 25745, June 4, 2019.

⁸ 84 FR 25736, June 4, 2019.

⁹ 84 FR 25738, June 4, 2019.

VIEWS OF THE COMMISSION

Based on the record in the final phase of these investigations, we determine that the establishment of an industry in the United States is materially retarded by reason of imports of refillable stainless steel kegs (“steel kegs”) from China and Germany found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the government of China.¹ We also find that critical circumstances do not exist with respect to steel keg imports from those firms from China for which Commerce made final affirmative critical circumstances determinations.

I. Background

The petitions in these investigations, as well as the petition for the antidumping duty investigation of imports of steel kegs from Mexico, were filed on September 20, 2018, by American Keg Company, LLC (“American Keg” or “Petitioner”), a domestic producer of steel kegs. The investigation schedules became staggered when Commerce did not postpone its final determination for the antidumping duty investigation regarding Mexico,² while it did postpone its final determinations for the antidumping duty investigations regarding China and Germany, and aligned the schedule of the countervailing duty investigation of China with that of the related antidumping duty investigation.³

Commerce published a final affirmative determination for the antidumping duty investigation of steel kegs from Mexico on August 19, 2019.⁴ In October 2019, the Commission made affirmative determinations with respect to the antidumping duty investigation of steel kegs from Mexico on the basis of cumulated subject imports from China, Germany, and Mexico.⁵ Subsequently, Commerce published final affirmative determinations for the countervailing and antidumping duty investigations of steel kegs from China and a final

¹ Commissioners Randolph J. Stayin and Amy A. Karpel did not participate in these investigations.

² *Refillable Stainless Steel Kegs from Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 25,738 (June 4, 2019).

³ *Refillable Stainless Steel Kegs from the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*, 84 Fed. Reg. 25,745 (June 4, 2019); *Refillable Stainless Steel Kegs from the Federal Republic of Germany: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 25,736 (June 4, 2019); *Refillable Stainless Steel Kegs from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 Fed. Reg. 13,634 (April 5, 2019).

⁴ *Refillable Stainless Steel Kegs from Mexico: Final Affirmative Determination of Sales at Less Than Fair Value and Final Determination of Critical Circumstances*, 84 Fed. Reg. 42,894 (Aug. 19, 2019).

⁵ *Refillable Stainless Steel Kegs from Mexico*, 84 Fed. Reg. 54,174 (Oct. 9, 2019); *Refillable Stainless Steel Kegs from Mexico*, Inv. No. 731-TA-1427 (Final), USITC Pub. 4976 (Oct. 2019) (“*Steel Kegs from Mexico*”).

affirmative determination for the antidumping duty investigation of steel kegs from Germany on October 24, 2019.⁶ Pursuant to the statutory provision on staggered investigations, the record for the current investigations regarding China and Germany closed on September 10, 2019, the same time as that for the antidumping duty investigation of steel kegs from Mexico, except that Commerce’s final affirmative determinations regarding China and Germany, and the parties’ comments concerning those determinations, have been added to the record.⁷

II. Material Retardation by Reason of Subject Imports

Section 771(7)(G)(iii) of the Tariff Act of 1930, as amended (“the Act”), provides that the Commission must make its final determination in the instant investigations on the basis of the same record as that in the antidumping duty investigation regarding steel keg imports from Mexico, except to the extent discussed above.⁸ Therefore, in these investigations, we adopt the findings and analyses in our determination and views regarding subject imports from Mexico that are that are sold in the United States at LTFV with respect to the issues of domestic like product, domestic industry, cumulation,⁹ conditions of competition, and material retardation by reason of cumulated subject imports.^{10 11 12}

⁶ *Refillable Stainless Steel Kegs from the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, in Part*, 84 Fed. Reg. 57,005 (Oct. 24, 2019); *Refillable Stainless Steel Kegs from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part*, 84 Fed. Reg. 57,010 (Oct. 24, 2019); *Refillable Stainless Steel Kegs from Germany: Final Affirmative Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 57,008 (Oct. 24, 2019).

⁷ See 19 U.S.C. § 1677(7)(G)(iii). Petitioner and respondent Blefa GmbH, a producer and exporter of steel kegs in Germany, along with Blefa Kegs, Inc., an importer of subject merchandise (collectively “Blefa”), filed supplemental comments concerning Commerce’s final determinations with respect to steel kegs from China and Germany. Petitioner’s Supplemental Comments dated November 8, 2019; Blefa’s Supplemental Comments dated November 8, 2019.

⁸ 19 U.S.C. § 1677(7)(G)(iii).

⁹ Blefa argues that the statute does not provide for cumulation for the Commission’s analysis of whether the establishment of an industry in the United States is materially retarded. Blefa’s Supplemental Comments at 2. It argues that, when Germany’s final low dumping margin is considered in the appropriate legal context, the imports of steel kegs from Germany alone did not materially retard American Keg from becoming established during the POI. *Id.* In *Steel Kegs from Mexico*, we determined that section 1677(7)(G) applied in a material retardation context and cumulated subject imports from China, Germany, and Mexico. USITC Pub. 4976 at 21-23. Pursuant to 19 U.S.C. § 1677(7)(G)(iii), the determinations in the instant investigations are made on the same record as that in the investigation regarding steel keg imports from Mexico. Therefore, we adopt our finding to cumulate subject imports from all three subject countries, including Germany, for purposes of determining whether the establishment of the domestic industry is materially retarded by reason of cumulated subject imports. *Id.* at 23-26. We further take into account that Commerce has made a final determination that Blefa is selling subject imports in the United States at LTFV.

¹⁰ See *Steel Kegs from Mexico*, USITC Pub. 4976 at 4-45.

¹¹ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall generally be deemed negligible. 19 U.S.C. §§ 1671d(b), 1673d(b), 1677(24)(A)(i), 1677(24)(B).

In its final antidumping duty determination, Commerce found imports of steel kegs exported by Ningbo Master International Trade Co., Ltd. (“Ningbo Master”) and produced by Ningbo Major Draft Beer Equipment Co., Ltd. (“Ningbo Major”) to have a *de minimis* antidumping duty margin. 84 Fed. Reg. at 57,011. Therefore, imports of steel kegs from Ningbo Master and produced by Ningbo Major are nonsubject merchandise and are not included in the numerator of the negligibility ratio with respect to the antidumping duty investigation of subject imports from China. Such imports, however, are not *de minimis* for the related countervailing duty investigation with respect to China and thus are included in the Commission’s negligibility calculation for that investigation.

Based on questionnaire responses from importers, the data for the 12-month period preceding the filing of the petition (September 2017 through August 2018) indicate that imports of steel kegs from China subject to the countervailing duty investigation accounted for *** percent *** of total imports of steel kegs during the same period, imports of steel kegs from China subject to the antidumping duty investigation accounted for *** percent (***) and imports of steel kegs from Germany subject to the antidumping duty investigation accounted for *** percent *** of total steel keg imports. *Refillable Stainless Steel Kegs from China and Germany*, Inv. Nos. 731-TA-610 and 731-TA-1425-1426 (Final), Confidential Report, INV-RR-123 (Nov. 18, 2019) (“CR”) at I-6 and Public Report, USITC Pub. 5002 (Dec. 2019) (“PR”) at I-6. Because subject imports from China and Germany exceed the 3 percent individual subject country statutory negligibility threshold applicable to the countervailing and antidumping investigations during the 12-month period prior to the filing of the petitions, we find that imports subject to each of the investigations for China and Germany are not negligible.

¹² The statute additionally instructs the Commission to consider the “magnitude of the margin of dumping” in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final antidumping duty determination regarding China, Commerce calculated a *de minimis* antidumping duty margin of zero percent for the individually examined respondent, Ningbo Master, a zero percent margin for the separate-rate-eligible non-selected respondents, Guangzhou Jingye Machinery Co. Ltd. (“Jingye”) and Guangzhou Ulix Industrial & Trading Co., Ltd. (“Ulix”), and a 77.13 percent margin for the China-wide entity. 84 Fed. Reg. at 57,011. Commerce determined that Ningbo Master, the individually examined respondent, had not made sales of subject merchandise at LTFV and, therefore, it will exclude Ningbo Master from any antidumping duty order. *Id.* With respect to Jingye and Ulix, consistent with Federal Circuit precedent, Commerce assigned these separate-rate-eligible non-selected respondents the rate that it calculated for Ningbo Master, *i.e.*, zero percent, but it will not exclude them from any antidumping duty order. *Id.* Commerce found that the China-wide entity did not cooperate to the best of its ability in its antidumping duty investigation, so Commerce applied adverse inferences in selecting from the facts available (“AFA”) in determining the margin for the China-wide entity. *Id.* at 57,010. In its final antidumping duty determination regarding Germany, Commerce calculated a 7.47 percent antidumping duty margin for Blefa GmbH and a 7.47 percent margin for all others. 84 Fed. Reg. at 57,009.

We have considered the above dumping margins. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in *Steel Kegs from Mexico*, is particularly
(continued...)

Accordingly, we determine that the establishment of an industry in the United States is materially retarded by reason of subject imports from China and Germany that Commerce determined were sold in the U.S. market at LTFV and subsidized by the government of China.

III. Critical Circumstances

A. Legal Standards

We adopt the findings and analyses in our determination and views regarding imports of steel kegs from Mexico that the critical circumstances provision of the statute requires the Commission to make a finding regarding critical circumstances in a material retardation analysis.¹³ The statute provides that where Commerce has made an affirmative finding of critical circumstances, the Commission “shall include a finding as to whether the imports subject to {Commerce’s finding} are likely to seriously undermine the remedial effect of the antidumping duty order.”¹⁴ If Commerce makes an affirmative finding of critical circumstances, the statute appears unequivocal in requiring that the Commission make a finding on critical circumstances should it determine that the domestic industry has been materially retarded.

In its final countervailing and antidumping duty determinations concerning steel kegs from China, Commerce found that critical circumstances exist with respect to certain subject producers/exporters.¹⁵ Because we have determined that the domestic industry is materially retarded by reason of subject imports from China, we must further determine “whether the imports subject to the affirmative {Commerce critical circumstances} determination{s} ... are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued.”¹⁶

The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) indicates that the Commission is to determine “whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order” and specifically “whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order.”¹⁷ The legislative history for the critical circumstances provision indicates that the provision was designed “to deter exporters whose

probative to an assessment of the impact of the subject imports on the establishment of the domestic industry. See USITC Pub. 4976 at 33-38.

¹³ *Steel Kegs from Mexico*, USITC Pub. 4976 at 45.

¹⁴ 19 U.S.C. §§ 1671d(b)(4)(A)(i), 1673d(b)(4)(A)(i).

¹⁵ In its final countervailing duty determination, Commerce found that critical circumstances exist with respect to subject imports produced or exported by the 19 companies to which it applied AFA, but do not exist with respect to Ningbo Master or all other producers/exporters. 84 Fed. Reg. at 57,006. In its final antidumping duty determination, Commerce found that critical circumstances exist with respect to subject imports produced or exported by the China-wide entity, but do not exist with respect to Ningbo Master, Jingye, or Ulix. 84 Fed. Reg. at 57,011.

¹⁶ 19 U.S.C. §§ 1671d(b)(4)(A)(i), 1673d(b)(4)(A)(i).

¹⁷ URAA SAA, H.R. Doc. 103-316, vol. I at 877 (1994).

merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and the preliminary determination by {Commerce}.”¹⁸ An affirmative critical circumstances determination by the Commission would normally result in the retroactive imposition of duties for those imports subject to Commerce’s affirmative critical circumstances determination for a period 90 days prior to the suspension of liquidation.¹⁹

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant:

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and
- (III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.²⁰

In considering the timing and volume of subject imports, the Commission’s practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.²¹

B. Arguments of the Parties

Petitioner’s Arguments. American Keg acknowledges that subject imports from China declined in the sixth-month period following the filing of the petitions relative to the six-month period prior to the filing, but argues that end-of-period inventories of subject imports from China were higher in interim 2019 than in interim 2018.²² Given the decreases in apparent U.S consumption over the POI and lumpy demand for such products, it argues that this rapid increase in inventory is likely to undermine seriously the remedial effect of any antidumping

¹⁸ *ICC Industries, Inc. v. United States*, 812 F.2d 694, 700 (Fed. Cir. 1987), quoting H.R. Rep. No. 96-317 at 63 (1979), *aff’g* 632 F. Supp. 36 (Ct. Int’l Trade 1986).

¹⁹ See 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

²⁰ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

²¹ See *Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-43, 731-TA-1095-97, USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India*, Inv. Nos. 701-TA-437, 731-TA-1060-61 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

²² Petitioner’s Prehearing Brief at 105-06. In its supplemental comments, Petitioner acknowledges that Commerce’s final affirmative critical circumstances determinations exist only with respect to certain producers and/or exporters, but refers back to its arguments in its prehearing brief. Petitioner’s Supplemental Comments at 4. We note that Petitioner’s argument in its prehearing brief is not based on inventories of the firms subject to Commerce’s final affirmative critical circumstances findings in the countervailing and antidumping duty investigations. The Commission has summarized inventory data reported by only those importers that sourced steel kegs from the firms identified in Commerce’s final affirmative critical circumstances determinations. See CR/PR at note 2 of Tables I-4 and I-5.

and countervailing duty orders and supports an affirmative finding of critical circumstances for subject imports from China.²³

Respondents' Arguments. Penglai Jingu Stainless Steel Products Co., Ltd., Ningbo Major, and Qingdao Henka Precision Technology Co., Ltd., each a producer/exporter of subject merchandise in China (collectively "Chinese Respondents"), argue that imports of steel kegs from China subject to Commerce's preliminary antidumping and countervailing duty determinations declined in the six-month period after the petitions were filed.²⁴ They further point out that, while overall U.S. importers' inventories of steel kegs from China were higher in interim 2019 than in interim 2018, these inventories are not relevant to a critical circumstances determination because they pertain to all Chinese producers, not just the producers subject to Commerce's affirmative critical circumstances findings.²⁵ Finally, Chinese Respondents argue that no other factors support the conclusion that imports of steel kegs from China subject to Commerce's critical circumstances findings have adversely affected America Keg.²⁶

C. Analysis

We first consider the appropriate period for comparison of pre-petition and post-petition levels of subject imports from China. In previous investigations, the Commission has relied on a shorter comparison period when Commerce's preliminary determination applicable to the country at issue fell within the six-month post-petition period the Commission typically considers.²⁷ That, however, is not the situation here.²⁸ Thus, we compare the volume of subject imports during the six months prior to the filing of petitions in these investigations (April 2018 to September 2018) with the volume of subject imports in the six months after the petitions were filed (October 2018 to March 2019) for purposes of our critical circumstances analysis in the countervailing and antidumping duty investigations.²⁹

²³ Petitioner's Prehearing Brief at 107-08.

²⁴ Chinese Respondents Prehearing Brief at 57.

²⁵ Chinese Respondents Prehearing Brief at 59.

²⁶ Chinese Respondents Prehearing Brief at 61.

²⁷ *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547, 731-TA-1291-1297 (Final), USITC Pub. 4638 at 49-50 (Sept. 2016); *Certain Corrosion-Resistance Steel Products from China, India, Italy, Korea, and Taiwan*, Inv. No. 701-TA-534-537, 731-TA-1274-1278 (Final), USITC Pub. 4630 at 35-40 (July 2016); *Carbon and Certain Steel Wire Rod from China*, Inv. Nos. 701-TA-512, 731-TA-1248 (Final), USITC Pub. 4509 at 25-26 (Jan. 2015) (using five-month periods because preliminary Commerce countervailing duty determination was during the sixth month after the petition).

²⁸ Commerce published an affirmative preliminary determination in the countervailing duty investigation of steel kegs from China on April 5, 2019. 84 Fed. Reg. at 13,635. Commerce published an affirmative preliminary determination in the antidumping duty investigation of steel kegs from China on June 4, 2019. 84 Fed. Reg. at 25,745.

²⁹ The original deadline for the preliminary countervailing duty determination was December 14, 2018 and was postponed to February 19, 2019, which was within the six-month period. *Refillable Stainless Steel Kegs from the People's Republic of China: Postponement of the Preliminary Determination (continued...)*

Imports of steel kegs from China subject to Commerce’s affirmative critical circumstances finding in the countervailing duty investigation significantly decreased by *** percent in the post-petition period, from *** steel kegs in April-September 2018 to *** steel kegs in October 2018-March 2019.³⁰ Inventories of steel kegs from China held by U.S. importers sourcing from the firms subject to Commerce’s affirmative critical circumstances finding were lower in March 2019, at *** steel kegs, than in March 2018, at *** steel kegs, or a decrease of *** steel kegs.³¹

Imports of steel kegs from China subject to Commerce’s affirmative critical circumstances finding in the antidumping duty investigation significantly decreased by *** percent in the post-petition period, from *** steel kegs in April-September 2018 to *** steel kegs in October 2018-March 2019.³² Inventories of steel kegs from China held by U.S. importers sourcing from the firms subject to Commerce’s affirmative critical circumstances finding were lower in March 2019, at *** steel kegs, than in March 2018, at *** steel kegs, or a decrease of *** steel kegs.³³

Given the decrease in import volume in the post-petition periods and the lower inventories in March 2019, we find that the imports subject to each of Commerce’s affirmative critical circumstances determinations with respect to China would not undermine seriously the remedial effect of the countervailing or antidumping duty orders. Consequently, and in the absence of any other circumstances indicating that the remedial effect of the countervailing or antidumping duty orders would seriously be undermined, we make negative critical circumstances determinations with regard to imports of steel kegs from China subject to Commerce’s affirmative critical circumstances findings in the countervailing and antidumping duty investigations.

in the Countervailing Duty Investigation, 83 Fed. Reg. 62,560, 62,561 (Dec. 4, 2018). Due to the government shutdown, the revised deadline for the preliminary determination was not until March 29, 2019. 84 Fed. Reg. at 13635. No party argued for a shorter comparison period; nevertheless, we note that our ultimate finding would have been the same even if we examined a five-month comparison period (May 2018 through September 2018 and October 2018 through February 2019), as imports of steel kegs from China subject to Commerce’s affirmative critical circumstances finding in both the countervailing duty and antidumping duty investigations significantly decreased. See CR/PR at Tables I-4 and I-5.

³⁰ CR/PR at Table I-4.

³¹ CR/PR at Table I-4 n.2. We note that end-of-period inventories from all subject sources in China were higher in December 2018 than in March 2019, which further belies the notion that importers were attempting to stockpile the subject merchandise and evade paying duties before provisional duties were put in place. See CR/PR at Table C-1.

³² CR/PR at Table I-5.

³³ CR/PR at Table I-5 n.2.

IV. Conclusion

For the reasons stated above, we determine that the establishment of an industry in the United States is materially retarded by reason of imports of steel kegs from China and Germany that are sold in the United States at LTFV and subsidized by the government of China. We also find that critical circumstances do not exist with respect to steel keg imports from those firms from China for which Commerce made final affirmative critical circumstances determinations.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by American Keg Company, LLC (“American Keg”), Pottstown, Pennsylvania, on September 20, 2018, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized refillable stainless steel kegs from China and less-than-fair-value (“LTFV”) imports of refillable stainless steel kegs from China, Germany, and Mexico. The following tabulation provides information relating to the background of these investigations.^{1 2}

Effective date	Action
September 20, 2018	Petitions filed with Commerce and the Commission; institution of Commission’s investigations (83 FR 48652, September 26, 2018)
October 10, 2018	Commerce’s notice of initiation, China CVD (83 FR 52192, October 16, 2018)
October 10, 2018	Commerce’s notice of initiation, China, Germany, and Mexico AD (83 FR 52195, October 16, 2018)
November 5, 2018	Commission’s preliminary determinations (83 FR 56102, November 9, 2018)
December 4, 2018	Commerce’s postponement of China’s preliminary CVD determination (83 FR 62560, December 4, 2018)
March 19, 2019	Commerce’s postponement of preliminary determinations in LTFV investigations for China, Germany, and Mexico (84 FR 10033, March 19, 2019)
April 5, 2019	Commerce’s preliminary affirmative CVD determination for China and alignment with final CVD with AD determination (84 FR 13634, April 5, 2019)
May 2, 2019	Commerce’s preliminary affirmative determination of critical circumstances for Mexico (84 FR 18796, May 2, 2019)

¹ Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website (www.usitc.gov).

² Appendix B of this report presents a list of witnesses appearing at the hearing.

Effective date	Action
June 4, 2019	Commerce's preliminary affirmative determination of sales at LTFV and critical circumstances for China, and postponement of final determination (84 FR 25745, June 4, 2019); preliminary affirmative determination of sales at LTFV and postponement of final determination for Germany (84 FR 25736, June 4, 2019); and preliminary affirmative determination of sales at LTFV for Mexico (84 FR 25738, June 4, 2019)
June 4, 2019	Commerce's preliminary affirmative determination of critical circumstances for China's CVD investigation (84 FR 25748, June 4, 2019)
June 4, 2019	Scheduling of final phase of Commission's investigations (84 FR 28070, June 17, 2019)
August 14, 2019	Commission's hearing
August 19, 2019	Commerce's final affirmative determination of sales at LTFV and critical circumstances for Mexico (84 FR 42894, August 19, 2019)
September 16, 2019	Commission's vote (Mexico)
October 3, 2019	Commission's views (Mexico)
October 24, 2019	Commerce's final affirmative CVD and critical circumstances determination for China (84 FR 57005, October 24, 2019); final affirmative sales at LTFV and critical circumstances for China (84 FR 57010, October 24, 2019); and final affirmative determination of sales at LTFV for Germany (84 FR 57008, October 24, 2019)
October 30, 2019	Scheduling of final phase of Commission's investigations for China and Germany (84 FR 59840, November 6, 2019)
November 22, 2019	Commission's vote (China and Germany)
December 9, 2019	Commission's views (China and Germany)

The information contained in this report is intended to be used in conjunction with data presented in the following Commission's reports:

- *Refillable Stainless Steel Kegs from Mexico: Investigation No. 731-TA-1427 (Final)*, USITC Publication 4976, October 2019, and the corresponding confidential version contained in *Investigation Nos. 701-TA-610 and 731-TA-1425-1427 (Final): Refillable Stainless Steel Kegs from China, Germany, and Mexico—Staff Report*, INV-RR-087, September 4, 2019.

The staff report in this proceeding contains information regarding refillable stainless steel kegs from China and Germany.³

³ On November 8, 2019, petitioner American Keg Company, LLC and respondent Blefa GmbH and Blefa Kegs, Inc., filed supplemental final comments concerning refillable stainless steel kegs from China and Germany.

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On April 5, 2019, Commerce published a notice in the *Federal Register* of its preliminary affirmative determination of countervailable subsidies for producers and exporters of refillable stainless steel kegs from China.⁴ On October 24, 2019, Commerce published a notice of its final affirmative determination regarding refillable stainless steel kegs from China.⁵ Table I-1 presents Commerce’s determinations of subsidization of refillable stainless steel kegs in China.

Table I-1
Refillable stainless steel kegs: Commerce’s subsidy determinations with respect to imports from China

Entity	Preliminary countervailable subsidy rate (percent)	Final countervailable subsidy rate (percent)
Equipmentines (Dalian) E-Commerce Co., Ltd	144.30	145.23
Jinan HaoLu Machinery Equipment Co., Ltd	144.30	145.23
NDL Keg Qingdao Inc.	144.30	145.23
Ningbo Direct Import & Export Co., Ltd	144.30	145.23
Ningbo Hefeng Container Manufacture Co., Ltd	144.30	145.23
Ningbo Hefeng Kitchen Utensils Manufacture Co., Ltd	144.30	145.23
Ningbo HGM Food Machinery Co., Ltd	144.30	145.23
Ningbo Jiangbei Bei Fu Industry and Trade Co., Ltd	144.30	145.23
Ningbo Master International Trade Co., Ltd (“Ningbo Master”)	15.78	16.21
Ningbo Sanfino Import & Export Co., Ltd	144.30	145.23
Ningbo Shimaotong International Co., Ltd	144.30	145.23
Ningbo Sunburst International Trading Co., Ltd	144.30	145.23
Orient Equipment (Taizhou) Co., Ltd	144.30	145.23
Penglai Jinfu Stainless Steel Products	144.30	145.23
Qingdao Henka Precision Technology Co., Ltd	144.30	145.23
Shandong Tiantai Beer Equipment	144.30	145.23
Sino Dragon Trading International	144.30	145.23
Wenzhou Deli Machinery Equipment Co.	144.30	145.23
Wuxi Taihu Lamps and Lanterns Co., Ltd	144.30	145.23
Yantai Trano New Material Co., Ltd.	144.30	145.23
All others	15.78	16.21

Source: 84 FR 13634, April 5, 2019 and 84 FR 57005, October 24, 2019.

⁴ 84 FR 13634, April 5, 2019.

⁵ 84 FR 57005, October 24, 2019.

Commerce determined the government programs in China identified below to be countervailable:⁶

- 1. Government Policy Lending Program*
- 2. Provision of Stainless Steel Coil for LTAR*
- 3. Provision of Electricity for LTAR*
- 4. Special Funds for International Market Expansion*
- 5. Export Assistance Grants*
- 6. Special Fund for Steady Increase and Promotion of Enterprises in Jiangbei District*
- 7. Patent Subsidy in Jiangbei District*
- 8. Steady Position Subsidy for Enterprise*
- 9. Subsidy Fund of Provincial Commerce Improvement*
- 10. Prize for Enterprise's Independent Evaluation*
- 11. Supporting Fund Technology Improvement Program in Jiangbei District*

⁶ *Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Refillable Stainless Steel Kegs from the People's Republic of China*, Case C-570-094, October 17, 2019, pp. 4-5.

Sales at LTFV

On June 4, 2019, Commerce published notices in the *Federal Register* of its preliminary determinations of sales at LTFV with respect to imports from China and Germany.⁷ On October 24, 2019, Commerce published notices of its final determinations of sales at LTFV with respect to China and Germany.⁸ Tables I-2 and I-3 present Commerce’s dumping margins with respect to imports of refillable stainless steel kegs from China and Germany, respectively.

Table I-2
Refillable stainless steel kegs: Commerce’s weighted-average LTFV margins with respect to imports from China

Exporter	Producer	Preliminary dumping margin (percent)	Final dumping margin (percent)
Ningbo Master International Trade Co., Ltd. ¹ (“Ningbo Master”)	Ningbo Major Draft Beer Equipment Co., Ltd	2.01	0.00
Guangzhou Jingye Machinery Co., Ltd ² (“Jingye”)	Guangzhou Jingye Machinery Co., Ltd	2.01	0.00
Guangzhou Ulix Industrial & Trading Co., Ltd ² (“Ulix”)	Guangzhou Jingye Machinery Co., Ltd	2.01	0.00
Ningbo Haishu Direct Import and Export Trade Co., Ltd. ³ (“Ningbo Haishu”)	Ningbo Haishu Xiangsheng Metal Products Plant	2.01	NA
China-Wide Entity		79.71	77.13

¹ Commerce determined that Ningbo Master has a *de minimis* margin and has not made sales at LTFV. The company will be excluded from the antidumping order in the event an order is instituted.

² Commerce assigned the separate rate eligible non-selected respondents, Jingye and Ulix, the same rate calculated for Ningbo Master, i.e., zero percent. However, Jingye and Ulix will not be excluded from any antidumping order, in the event an order is instituted.

³ Although Commerce preliminarily found that Ningbo Haishu was eligible for a separate rate, in its final determination, Commerce found that such subject merchandise is not eligible for a separate rate.

Source: 84 FR 25746, June 4, 2019 and 84 FR 57010, October 24, 2019.

Table I-3
Refillable stainless steel kegs: Commerce’s weighted-average LTFV margins with respect to imports from Germany

Exporter/producer	Preliminary dumping margin (percent)	Final dumping margin (percent)
Blefa GmbH	8.61	7.47
All Others	8.61	7.47

Source: 84 FR 25736, June 4, 2019 and 84 FR 57008, October 24, 2019.

⁷ 84 FR 25745, June 4, 2019 and 84 FR 25736, June 4, 2019.

⁸ 84 FR 57010, October 24, 2019 and 84 FR 57008, October 24, 2019.

NEGLIGENCE

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.⁹ Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.¹⁰

Based on questionnaire responses to the Commission, U.S. imports of refillable stainless steel kegs from China subject to a potential countervailing duty order accounted for *** percent ***, respectively, of total imports of refillable stainless steel kegs during September 2017 through August 2018. U.S. imports of refillable stainless steel kegs from China subject to a potential antidumping duty order¹¹ accounted for *** percent ***, respectively, during September 2017 through August 2018, and U.S. imports of refillable stainless steel kegs from Germany accounted for *** percent *** of total imports of refillable stainless steel kegs during the same period.

⁹ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

¹⁰ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

¹¹ U.S. imports from China, excluding those produced by Ningbo Major and exported by Ningbo Master.

CRITICAL CIRCUMSTANCES

China CVD

On April 5, 2019, Commerce issued its preliminary determination that countervailable subsidies are being provided to producers and exporters of refillable stainless steel kegs from China, based on facts otherwise available including 19 companies¹² that did not to participate in Commerce's countervailing duty investigation. Subsequently, on June 4, 2019, Commerce issued its preliminary determination that critical circumstances exist with regard to imports of refillable stainless steel kegs from China for the 19 non-participating companies.¹³ On October 24, 2019, Commerce published its final affirmative determination that critical circumstances exist with respect to subject merchandise produced or exported by the 19 non-participating companies, but not with respect to Ningbo Master or to all other producers/exporters.¹⁴ Table I-4 and figure I-1 present data on U.S. imports from China subject to Commerce's final countervailing duty critical circumstances determination.

¹² 84 FR 13634, April 5, 2019. Specifically, one mandatory respondent, Penglai Jinfu Stainless Steel Products Co., Ltd., failed to respond to Commerce's questionnaire, and the following 18 companies failed to respond to Commerce's Quantity and Value Questionnaire: Equipmentines (Dalian) E-Commerce Co., Ltd.; Jinan HaoLu Machinery Equipment Co., Ltd.; NDL Keg Qingdao Inc.; Ningbo Direct Import & Export Co., Ltd.; Ningbo Hefeng Container Manufacture Co., Ltd.; Ningbo Hefeng Kitchen Utensils Manufacture Co., Ltd.; Ningbo HGM Food Machinery Co., Ltd.; Ningbo Jiangbei Bei Fu Industry and Trade Co., Ltd.; Ningbo Sanfino Import & Export Co., Ltd.; Ningbo Shimaotong International Co., Ltd.; Ningbo Sunburst International Trading Co., Ltd.; Orient Equipment (Taizhou) Co., Ltd.; Qingdao Henka Precision Technology Co., Ltd.; Shandong Tiantai Beer Equipment; Sino Dragon Trading International; Wenzhou Deli Machinery Equipment Co.; Wuxi Taihu Lamps and Lanterns Co., Ltd.; and Yantai Trano New Material Co., Ltd.

¹³ 84 FR 25748, June 4, 2019.

¹⁴ 84 FR 57005, October 24, 2019.

Table I-4

Refillable stainless steel kegs: U.S. imports from China subject to Commerce’s final CVD critical circumstance determination, April 2018 through March 2019

Period ²	Actual monthly quantity (units)	Outwardly cumulative subtotals (units)	Percentage change from comparable period (percent) ¹
2018.--			
April	***	***	
May	***	***	
June	***	***	
July	***	***	
August	***	***	
September	***	***	
Petition file date: September 20, 2018.			
October	***	***	***
November	***	***	***
December	***	***	***
2019.--			
January	***	***	***
February	***	***	***
March	***	***	***

¹ The percentage increase or (decrease) over the comparable pre-petition period.

² Ending inventories of refillable stainless steel kegs from China held by importers sourcing from the firms subject to Commerce’s final CVD critical circumstances determination were *** units in March 2018 and *** units in March 2019.

Note: Imports from China subject to Commerce's CVD critical circumstance determination consists of imports from the 19 firms that did not participate in Commerce’s investigations. (See footnotes 12 and 13). Commerce determined that critical circumstances did not exist for Ningbo Master or from all other exporters/producers of subject merchandise.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure I-1

Refillable stainless steel kegs: U.S. imports from China subject to Commerce's final CVD critical circumstance determination, April 2018 through March 2019

* * * * *

Note: Imports from China subject to Commerce's CVD critical circumstance determination consists of imports from the 19 firms that did not participate in Commerce's investigations. (See footnotes 12 and 13). Commerce determined that critical circumstances did not exist for Ningbo Master or from all other exporters/producers of subject merchandise.

Source: Compiled from data submitted in response to Commission questionnaires.

China AD

On June 4, 2019, in its antidumping duty investigation, Commerce issued its preliminary determination that "critical circumstances" exist with regard to imports from China of refillable stainless steel kegs from the China-wide entity, but do not exist for Ningbo Master, or for the separate rate applicants, Ningbo Haishu, Jingye, and Ulix.¹⁵ On October 24, 2019, Commerce issued its final determination that critical circumstances exist with respect to subject merchandise produced or exported by the China-wide entity,¹⁶ but do not exist with respect to Ningbo Master, Jingye, or Ulix. Table I-5 and figure I-2 present data on U.S. imports from China subject to Commerce's affirmative critical circumstances determination.

¹⁵ 84 FR 25745, June 4, 2019.

¹⁶ Although Commerce preliminarily determined that Ningbo Haishu was eligible for a separate rate, Commerce subsequently determined that the company is not eligible for a separate rate for the final determination.

Table I-5

Refillable stainless steel kegs: U.S. imports from China subject to Commerce’s final AD critical circumstance determination, April 2018 through March 2019

Period ²	Actual monthly quantity (units)	Outwardly cumulative subtotals (units)	Percentage change from comparable period (percent) ¹
2018.--			
April	***	***	
May	***	***	
June	***	***	
July	***	***	
August	***	***	
September	***	***	
Petition file date: September 20, 2018.			
October	***	***	***
November	***	***	***
December	***	***	***
2019.--			
January	***	***	***
February	***	***	***
March	***	***	***

¹ The percentage increase or (decrease) over the comparable pre-petition period.

² Ending inventories of refillable stainless steel kegs from China held by importers sourcing from the firms subject to Commerce’s final AD critical circumstances determination were *** units in March 2018 and *** units in March 2019.

Note.--Imports from China subject to Commerce's final AD critical circumstance determination consists of imports from firms other than Ningbo Master, Jingye, or Ulix.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure I-2
Refillable stainless steel kegs: U.S. imports from China subject to Commerce's final AD critical circumstance determination, April 2018 through March 2019

* * * * *

Note.--Imports from China subject to Commerce's final AD critical circumstance determination consists of imports from firms other than Ningbo Master, Jingye, or Ulix.

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX A

***FEDERAL REGISTER* NOTICES**

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
83 FR 48652 September 26, 2018	<i>Refillable Stainless Steel Kegs From China, Germany, and Mexico; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-09-26/pdf/2018-20926.pdf
83 FR 52192 October 16, 2018	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Initiation of Countervailing Duty Investigation</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-10-16/pdf/2018-22483.pdf
83 FR 52195 October 16, 2018	<i>Refillable Stainless Steel Kegs From the People's Republic of China, the Federal Republic of Germany, and Mexico: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.gpo.gov/fdsys/pkg/FR-2018-10-16/pdf/2018-22482.pdf
83 FR 56102 November 9, 2018	<i>Refillable Stainless Steel Kegs From the People's Republic of China, the Federal Republic of Germany, and Mexico: Affirmative Preliminary Determination and Commencement of Final Phase Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2018-11-09/pdf/2018-24515.pdf

Citation	Title	Link
83 FR 62560 December 4, 2018	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation</i>	https://www.govinfo.gov/content/pkg/FR-2018-12-04/pdf/2018-26316.pdf
84 FR 10033 March 19, 2019	<i>Refillable Stainless Steel Kegs From the Federal Republic of Germany, Mexico and the People's Republic of China: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2019-03-19/pdf/2019-05005.pdf
84 FR 13634 April 5, 2019	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i>	https://www.govinfo.gov/content/pkg/FR-2019-04-05/pdf/2019-06703.pdf
84 FR 18796 May 2, 2019	<i>Antidumping Duty Investigation on Refillable Stainless Steel Kegs From Mexico: Preliminary Affirmative Determination of Critical Circumstances</i>	https://www.govinfo.gov/content/pkg/FR-2019-05-02/pdf/2019-08956.pdf

Citation	Title	Link
<p>84 FR 25736 June 4, 2019</p>	<p><i>Refillable Stainless Steel Kegs From the Federal Republic of Germany: Preliminary Affirmative Determination of Sales at Less Than Fair Value, and Postponement of Final Determination</i></p>	<p>https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11587.pdf</p>
<p>84 FR 25738 June 4, 2019</p>	<p><i>Refillable Stainless Steel Kegs From Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value</i></p>	<p>https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11586.pdf</p>
<p>84 FR 25745 June 4, 4019</p>	<p><i>Refillable Stainless Steel Kegs From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures</i></p>	<p>https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11588.pdf</p>

Citation	Title	Link
84 FR 25748 June 4, 2019	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Preliminary Affirmative Determination, in Part, of Critical Circumstances in the Countervailing Duty Investigation</i>	https://www.govinfo.gov/content/pkg/FR-2019-06-04/pdf/2019-11589.pdf
84 FR 28070 June 17, 2019	<i>Stainless Steel Kegs From China, Germany, and Mexico; Scheduling of the Final Phase of Countervailing Duty and Anti-Dumping Duty Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2019-06-17/pdf/2019-12663.pdf
84 FR 42894 August 19, 2019	<i>Refillable Stainless Steel Kegs From Mexico: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances</i>	https://www.govinfo.gov/content/pkg/FR-2019-08-19/pdf/2019-17767.pdf
84 FR 57005 October 24, 2019	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, in Part</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-24/pdf/2019-23214.pdf

Citation	Title	Link
84 FR 57008 October 24, 2019	<i>Refillable Stainless Steel Kegs From Germany: Final Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-24/pdf/2019-23216.pdf
84 FR 57010 October 24, 2019	<i>Refillable Stainless Steel Kegs From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part</i>	https://www.govinfo.gov/content/pkg/FR-2019-10-24/pdf/2019-23215.pdf
84 FR 59840 November 6, 2019	<i>Refillable Stainless Steel Kegs From China and Germany; Supplemental Schedule for the Final Phase of Anti-Dumping and Countervailing Duty Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2019-11-06/pdf/2019-24179.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission’s hearing:

- Subject:** Refillable Stainless Steel Kegs from China, Germany, and Mexico
- Inv. Nos.:** 701-TA-610 and 731-TA-1425-1427 (Final)
- Date and Time:** August 14, 2019 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

Petitioner (**Andrew W. Kentz**, Picard Kentz & Rowe LLP)
Respondents (**Warren E. Connelly**, Trade Pacific PLLC)

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders:**

Picard Kentz & Rowe LLP
Washington, DC
on behalf of

American Keg Company, LLC

Scott Bentley, Owner, American Keg Company, LLC

Paul Czachor, Chief Executive Officer, American Keg Company, LLC

Steve Rubeo, Controller, American Keg Company, LLC

Brian Luzzi, Director, Sales and Marketing, American Keg Company, LLC

Andrew W. Kentz)
Whitney M. Rolig) – OF COUNSEL
Nathan Maandig Rickard)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

Hogan Lovells US LLP
Washington, DC
on behalf of

THIELMANN Mexico S.A. de C.V.
THIELMANN US LLC

Raffael Beck, Senior Corporate Counsel, Heritage B.V.

Terry Parker, Advisor to the THIELMANN Executive Committee, THIELMANN

Craig A. Lewis)
) – OF COUNSEL
Michael G. Jacobson)

Pepper Hamilton LLP
Washington, DC
on behalf of

Blefa GmbH
Blefa Kegs, Inc.

Alexander Brand, Chief Executive Officer, Blefa GmbH

Dinah Quist, Controller, Blefa Kegs, Inc.

Justin Willenbrink, Sales Director, North America, Blefa Kegs, Inc.

Chris Sapyta, Chief Executive Officer, Keg Logistics, LLC

James P. Dougan, Vice President, Economic Consulting Services, LLC

Gillian Priddy, Staff Economist, Economic Consulting Services, LLC

Gregory C. Dorris) – OF COUNSEL

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):**

Trade Pacific PLLC
Washington, DC
on behalf of

Penglai Jinfu Stainless Steel Products Co., Ltd.
Ningbo Major Draft Beer Equipment Co., Ltd.
Qingdao Henka Precision Technology Co., Ltd.

Steven Syzdek, Managing Partner, NDL Keg LLC

Brian Keyser, President, Krew Kegs, Inc., d/b/a G4 Kegs

Warren E. Connelly) – OF COUNSEL

Covington & Burling LLP
Washington, DC
on behalf of

Anheuser-Busch, LLC

Jon Hoffmeister, Vice President, Packaging Procurement,
North American Operations, AB InBev

Seth J. Hawkins, Senior Associate General Counsel,
Anheuser-Busch Companies, LLC

James M. Smith) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

Petitioner (**Whitney M. Rolig**, Picard Kentz & Rowe LLP)
Respondents (**Craig A. Lewis**, Hogan Lovells US LLP; and
Gregory C. Dorris, Pepper Hamilton LLP)

-END-

APPENDIX C
SUMMARY DATA

Table C-1

Refillable stainless steel kegs: Summary data concerning the U.S. market, 2016-18, January to March 2018, to January to March 2019

(Quantity=units; Value=\$1000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		2018	January to March		Calendar year			Jan-Mar
	2016	2017		2018	2018	2016-18	2016-17	2017-18	2018-19
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Producers' share (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▲***
Importers' share (fn1):									
China.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Germany.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Mexico.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Subject sources.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
U.S. consumption value:									
Amount.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Producers' share (fn1).....	***	***	***	***	***	▲***	▲***	▲***	▲***
Importers' share (fn1):									
China.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Germany.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Mexico.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Subject sources.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Nonsubject sources.....	***	***	***	***	***	▼***	▼***	▼***	▲***
All import sources.....	***	***	***	***	***	▼***	▼***	▼***	▼***
U.S. importers' U.S. shipments of imports from:									
China:									
Quantity.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Germany:									
Quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Value.....	***	***	***	***	***	▼***	▼***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▲***
Mexico:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Ending inventory quantity.....	***	***	***	***	***	***	***	▲***	▲***
Subject sources:									
Quantity.....	1,162,268	1,255,804	1,225,733	275,838	166,531	▲5.5	▲8.0	▼(2.4)	▼(39.6)
Value.....	91,104	91,031	97,810	19,476	13,010	▲7.4	▼(0.1)	▲7.4	▼(33.2)
Unit value.....	\$78	\$72	\$80	\$71	\$78	▲1.8	▼(7.5)	▲10.1	▲10.6
Ending inventory quantity.....	238,450	242,905	304,447	226,492	397,364	▲27.7	▲1.9	▲25.3	▲75.4
Nonsubject sources:									
Quantity.....	***	***	***	***	***	▼***	▲***	▼***	▲***
Value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Ending inventory quantity.....	***	***	***	***	***	▼***	▼***	▼***	▼***
All import sources:									
Quantity.....	***	***	***	***	***	▼***	▲***	▼***	▼***
Value.....	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Ending inventory quantity.....	***	***	***	***	***	▲***	▼***	▲***	▲***

Table continued on next page.

Table C-1--Continued

Refillable stainless steel kegs: Summary data concerning the U.S. market, 2016-18, January to March 2018, to January to March 2019

(Quantity=units; Value=\$1000 dollars; Unit values, unit labor costs, and unit expenses=dollars per unit; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. producers':									
Average capacity quantity.....	***	***	***	***	***	▲***	▲***	***	▲***
Production quantity.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Capacity utilization (fn1).....	***	***	***	***	***	▲***	▲***	▼***	▲***
U.S. shipments:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Inventories/total shipments (fn1).....	***	***	***	***	***	▲***	▲***	▼***	▲***
Production workers.....	***	***	***	***	***	▲***	▲***	▼***	▼***
Hours worked.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Wages paid.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Hourly wages (dollars per hour).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Productivity (units per hour).....	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit labor costs.....	***	***	***	***	***	▼***	▼***	▲***	▼***
Net sales:									
Quantity.....	***	***	***	***	***	▲***	▲***	▲***	▼***
Value.....	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value.....	***	***	***	***	***	▲***	▼***	▲***	▲***
Cost of goods sold (COGS).....	***	***	***	***	***	▲***	▲***	▲***	▼***
Gross profit or (loss).....	***	***	***	***	***	▼***	▼***	▲***	▼***
SG&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Operating income or (loss).....	***	***	***	***	***	▼***	▼***	▲***	▼***
Net income or (loss).....	***	***	***	***	***	***	***	▲***	▼***
Capital expenditures.....	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit COGS.....	***	***	***	***	***	▼***	▼***	▲***	▼***
Unit SG&A expenses.....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit operating income or (loss).....	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit net income or (loss).....	***	***	***	***	***	***	***	▲***	▼***
COGS/sales (fn1).....	***	***	***	***	***	▼***	▼***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	▼***	▼***	▼***	▲***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Suppressed due to sign change.

Source: Compiled from data submitted in response to Commission questionnaires.