Comment 7: Revised U.S. Sales Data for Arvedi
Comment 8: Adjustments to Arvedi’s Cost Data Based on Verification

DEPARTMENT OF COMMERCE
International Trade Administration

Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From India: Final Affirmative Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the "Department") determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products ("corrosion-resist steel") from India as provided in section 705 of the Tariff Act of 1930, as amended (the "Act"). For information on the subsidy rates, see the “Final Determination” section of this notice. The period of investigation is January 1, 2014, through December 31, 2014.

DATES: Effective Date: June 2, 2016.


SUPPLEMENTARY INFORMATION:

Background

The Department published the Preliminary Determination on November 6, 2015, and placed the Post-Preliminary Memorandum on the record of this investigation on March 9, 2016. A summary of the events that occurred since the post-preliminary analysis, as well verification and a full discussion of the issues raised by parties for this final determination, may be found in the

Comment 2: Corporate Name Change of Arvedi
Comment 3: Application of Adverse Facts Available ("AFA") to Arvedi’s Non-Prime Sales
Comment 4: Application of AFA to Arvedi’s Packing Revenue
Comment 5: Treatment of Arvedi’s Cost of Manufacturing ("COM")
A. Other Operating Costs
B. Net Extraordinary Charges
C. Bad Debt Expenses
D. Offset of Electricity Sales to COM
E. Adjust Variable Manufacturing Cost Based on Sales Quantities
F. Disallow Insurance Claim as “Indirect Damages” As An Offset to Fixed Overhead Costs
Comment 6: Programming Errors in Arvedi’s Margin Program
A. Net U.S. Price Variable
B. Marine Insurance

and of a width which exceeds 150 mm and measures at least twice the thickness; and

• Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%–60%–20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers: 7210.30.0000, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7212.20.0900, 7212.30.1030, 7212.30.1090, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7210.90.1000, 7210.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7226.60.6000, 7226.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Appendix II—List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Period of Investigation
IV. Changes Since the Preliminary Determination
V. Application of Total Adverse Facts Available With Regard to Marcegaglia
VI. Selection of AFA Rate and Corroboration
VII. Affirmative Finding of Critical Circumstances, In Part
VIII. List of Comments
IX. Discussion of Comments

Comment 1: Application of Total Adverse Facts Available ("AFA") to Marcegaglia

A. Misclassified Export Price ("EP") Sales

Comment 2: Corporate Name Change of Marcegaglia

Comment 3: Application of Adverse Facts Available ("AFA") to Arvedi’s Non-Prime Sales

Comment 4: Application of AFA to Arvedi’s Packing Revenue

Comment 5: Treatment of Arvedi’s Cost of Manufacturing ("COM")

A. Other Operating Costs
B. Net Extraordinary Charges
C. Bad Debt Expenses
D. Offset of Electricity Sales to COM
E. Adjust Variable Manufacturing Cost Based on Sales Quantities
F. Disallow Insurance Claim as "Indirect Damages" As An Offset to Fixed Overhead Costs

Comment 6: Programming Errors in Arvedi’s Margin Program

A. Net U.S. Price Variable
B. Marine Insurance

See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Certain Corrosion Resistant Steel from India," dated June 2, 2016, concurrently with this notice ("Issues and Decision Memo").
set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

For a summary of the product coverage comments and rebuttal responses submitted to the record of this final determination, and accompanying discussion and analysis of all comments timely received, see the Final Scope Decision Memorandum. The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

Methodology

The Department is conducting this countervailing duty (“CVD”) investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, we determine that there is a subsidy, i.e., a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific. For a full description of the methodology underlying our conclusions, see the Issues and Decision Memo.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memo. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memo, is attached to this notice at Appendix I.

Use of Adverse Facts Available

In making this final determination, the Department relied, in part, on facts available and, because JSW Steel Limited did not act to the best of its ability to respond to the Department’s requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available. For further information, see the section “Use of Facts Otherwise Available and Adverse Inferences” in the accompanying Issues and Decision Memo.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, we made certain changes to the subsidy program rate calculations since the Preliminary Determination. For a discussion of these changes, see the Issues and Decision Memo.

Final Determination

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated an individual rate for each producer/exporter of the subject merchandise individually investigated. In accordance with section 705(c)(5)(A) of the Act, for companies not individually investigated, we apply an “all-others” rate, which is normally calculated by weighing the subsidy rates of the individual companies selected as mandatory respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(i) of the Act, the all-others rate excludes zero and de minimis rates calculated for the exporters and producers individually investigated as well as rates based entirely on facts otherwise available. Where the rates for the individually investigated companies are all zero or de minimis, or determined entirely using facts otherwise available, section 705(c)(5)(i)(I) of the Act instructs the Department to establish an all-others rate using “any reasonable method.” Where the countervailable subsidy rates for all of the individually investigated respondents are zero or de minimis or are based on total AFA, the Department’s practice, pursuant to section 705(c)(5)(A)(i), is to calculate the all-others rate based on a simple average of the zero or de minimis margins and the margins based on total AFA. Pursuant to section 705(c)(5)(A)(i) of the Act, we have not calculated the “all-others” rate by weight averaging the rates of the two individually investigated respondents, because doing so risks disclosure of proprietary information. Therefore, and consistent with the Department’s practice, for the “all-others” rate, we calculated a simple average of the two responding firms’ rates.

<table>
<thead>
<tr>
<th>Exporter/Producer</th>
<th>Subsidy rate (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JSW Steel Limited and JSW Steel Coated Products Limited</td>
<td>29.46</td>
</tr>
<tr>
<td>Uttam Galva Steels Limited and Uttam Value Steels Limited</td>
<td>8.00</td>
</tr>
<tr>
<td>All Others</td>
<td>18.73</td>
</tr>
</tbody>
</table>

Continuation of Suspension of Liquidation

As a result of our Preliminary Determination, and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (“CBP”) to suspend liquidation of entries of merchandise under consideration from India that were entered or withdrawn from warehouse, for consumption, on or after November 6, 2015, which is the publication date in the Federal Register of the Preliminary Determination. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after March 5, 2016.

If the U.S. International Trade Commission (the “ITC”) issues a final affirmative injury determination, we will issue a CVD order and will reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimates duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.
Notification Regarding Administrative Protective Orders

In the event the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: May 24, 2016.

Paul Piquado,
Assistant Secretary for Enforcement and Compliance.

Appendix I—List of Topics Discussed in the Issues and Decision Memorandum

I. Summary
II. Background
III. Scope of the Investigation
IV. List of Issues
V. Subsidies Valuation
VI. Use of Facts Otherwise Available and Adverse Inferences
VII. Analysis of Programs
VIII. Calculation of the All-Others Rate
IX. Analysis of Comments
Comment 1: Whether the AAP Is a Countervailable Subsidy
Comment 2: Whether the DFIA Program Is a Countervailable Subsidy
Comment 3: Whether the DDB Program Is a Countervailable Subsidy
Comment 4: Whether the EPCGS Is a Countervailable Subsidy
Comment 5: Whether the Various State Government of Maharashtra Programs Are Countervailable Subsidies
Comment 6: Whether Status Holder Incentive Scrips (“SHS”) Purchased From Third Parties Confer a Countervailable Subsidy
Comment 7: Double-Counting of the Status Certificate Program (“SCP”) and SHS
Comment 8: Whether UVSL Was Required To File a Questionnaire Response
Comment 9: Treatment of Indrajit Power Private Ltd. ("IPPL")
Comment 10: UCSL’s Use of the EPCGS (Unreported License)
Comment 11: Whether the Department Should Apply Adverse Facts Available to JSWSL Based on Failure To Report Information About Subsidiaries
Comment 12: Whether JSWSL Used the DFIA Program or the Incremental Export Incentivisation Scheme
Comment 13: JCPSL’s Use of the Focus Market Scheme
Comment 14: JSWSL’s Use of the EPCGS (Unreported License)
X. Recommendation

Appendix II—Scope of the Investigation

The products covered by this investigation are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, garnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (e.g., in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (e.g., in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (e.g., in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to rolling. Also within the scope of this investigation unless specifically excluded, the following products are outside of and/or specifically excluded from the scope of this investigation:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead ("terne plate"), or both chromium and chromium oxides ("tin free steel"), whether or not painted, garnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Flat-rolled steel products less than 4.75 mm in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%–60%–20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers:

- 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0040, 7210.49.0091, 7210.49.0100, 7210.61.6000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers:

- 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.23.1000, 7217.23.1530, 7217.23.30.500, 7217.29.1000, 7217.29.5030, 7217.29.5060, 7217.29.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.0000.

The HTSUS subheadings above are provided for convenience and customs.
purposes only. The written description of the
scope of the investigation is dispositive.

BILLING CODE 3510–05–P

DEPARTMENT OF COMMERCE
International Trade Administration
[C–475–833]

Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From Italy: Final Affirmative Determination and Final Affirmative Critical Circumstances, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the “Department”) determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products (“corrosion-resistant steel”) from Italy as provided in section 705 of the Tariff Act of 1930, as amended (the “Act”). For information on the estimated subsidy rates, see the “Final Determination” section of this notice.

The period of investigation is January 1, 2014, through December 31, 2014.

DATES: Effective Date: June 2, 2016.


SUPPLEMENTARY INFORMATION:

Background

The Department published the Preliminary Determination on November 6, 2015,1 published the Preliminary Critical Circumstances on November 5, 2015,2 and placed the Post-Preliminary Analysis on the record of this investigation on April 13, 2016.3 A summary of the events that occurred since the post-preliminary analysis, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memo.4 The Issues and Decision Memo is a public document and 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 http://access.trade.gov, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at http://trade.gov/enforcement. The signed Issues and Decision Memo and the electronic versions of the Issues and Decision Memo are identical in content.

As explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the closure of the Federal Government. All deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final determination is now May 24, 2016.5

Scope of the Investigation

The products covered by this investigation are corrosion-resistant steel products from Italy. For a complete description of the scope of this investigation, see Appendix II.

Scope Comments

In accordance with the Preliminary Scope Determination,6 the Department

set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues. For a summary of the product coverage comments and rebuttal responses submitted to the record of this final determination, and accompanying discussion and analysis of all comments timely received, see the Final Scope Decision Memorandum.7 The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

Methodology

The Department is conducting this countervailing duty (“CVD”) investigation in accordance with section 701 of the Act. For each of the subsidy programs found countervailable, we determine that there is a subsidy, i.e., a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.8 For a full description of the methodology underlying our conclusions, see the Issues and Decision Memo.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memo. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memo, is attached to this notice at Appendix I.

Adverse Facts Available

Section 776(a) of the Act provides that, subject to section 782(d) of the Act, the Department shall apply “facts otherwise available” if: (1) Necessary information is not on the record; or (2) an interested party or any other person (A) withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, (C) significantly impedes a

3 See Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, re: “Post-Preliminary Analysis of Countervailing Duty Investigation: Certain Corrosion Resistant Steel from Italy,” dated April 13, 2016 (“Post-Preliminary Analysis”).
4 See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Certain Corrosion Resistant Steel from Italy,” dated concurrently with this notice (“Issues and Decision Memo”).
5 See Memorandum to the Record from Ron Lorentzen, Acting Assistant Secretary for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016.
6 See Memorandum to Gary Tavernar, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Corrosion-Resistant Steel Products From the People’s Republic of China, India, Italy, the Republic of Korea, and Taiwan: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated December 21, 2015.
7 See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5)(A) of the Act regarding specificity.