DEPARTMENT OF COMMERCE
International Trade Administration
[C–570–043]

Countervailing Duty Investigation of Stainless Steel Sheet and Strip From the People’s Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination

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

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of stainless steel sheet and strip (stainless steel sheet and strip) from the People’s Republic of China (PRC). The period of investigation is January 1, 2015, through December 31, 2015. We invite interested parties to comment on this preliminary determination.

DATES: Effective July 18, 2016.


SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The products covered by this investigation are stainless sheet and strip from the PRC. For a complete description of the scope of this investigation, see Appendix II.

Methodology

The Department is conducting this countervailing duty (CVD) investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily 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.1 For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.2 A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum 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 Preliminary Decision Memorandum can be accessed directly at http://enforcement.trade.gov/frn/. The signed Preliminary Decision Memorandum and the electronic version are identical in content.

The Department notes that, in making these findings, we relied, in part, on facts available and, because we find that one or more respondents did not act to the best of their 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.3 For further information, see “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.4

Alignment

As noted in the Preliminary Decision Memorandum, in accordance with

1 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.

2 See Memorandum, “Decision Memorandum for Preliminary Affirmative Determination: Countervailing Duty Investigation of Stainless Steel Sheet and Strip From the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

3 See sections 776(a) and (b) of the Act.

In accordance with section 703(d)(2) of the Act, we will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of stainless sheet and strip from the PRC as described in the “Scope of the Investigation. Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit equal to the duties on the entered value of all unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date the Department issues its preliminary determination, or (b) the date on which notice of initiation of the investigation was published. On June 27, 2016, we preliminarily found that critical circumstances exist for imports of stainless sheet and strip from the PRC, as manufactured by Taigang, Daming, and all other companies that produced or exported by Taigang, Dingxi Taigang Stainless Steel Co. Ltd, Baosteel Stainless Steel Co. Ltd, Baoshan Iron & Steel Co., Ltd, Baosteel Desheng Stainless Steel Co., Ltd, Baosteel Co., Ltd, Bayi Iron & Steel Co., Ltd, Ningbo Iron & Steel Co., Ltd, Shaoquan Iron & Steel Co., Ltd, Guangdong Shaoquan Iron & Steel Co., Ltd, and Zhanjiang Iron & Steel Co., Ltd. According to Section 351.205(d), the Department will instruct CBP to require a cash deposit equal to the duties on the entered value of the import of any unliquidated entries of stainless sheet and strip from the PRC, as described in the “Scope of the Investigation.”

Critical Circumstances

The Department preliminarily found that critical circumstances exist for imports of stainless steel sheet and strip from the PRC as described in the “Scope of the Investigation.” The Department will instruct CBP to require a cash deposit equal to the duties on the entered value of all unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which the suspension of liquidation was first ordered, or, if later, the date on which notice of initiation of the investigation was published. On June 27, 2016, we preliminarily found that critical circumstances exist for imports produced or exported by Taigang, Dingxi Taigang Stainless Steel Co. Ltd, Baosteel Stainless Steel Co. Ltd, Baoshan Iron & Steel Co., Ltd, Baosteel Desheng Stainless Steel Co., Ltd, Baosteel Co., Ltd, Bayi Iron & Steel Co., Ltd, Ningbo Iron & Steel Co., Ltd, Shaoquan Iron & Steel Co., Ltd, Guangdong Shaoquan Iron & Steel Co., Ltd, and Zhanjiang Iron & Steel Co., Ltd. In accordance with Section 705(e)(2)(A) of the Act, suspension of liquidation of stainless sheet and strip from the PRC, as described in the “Scope of the Investigation,” shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice, the date suspension of liquidation is first ordered.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondents prior to making our final determination.

International Trade Commission Notification

In accordance with section 703(f) of the Act, we will notify the International Trade Commission (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.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, we will make its final determination within 45 days after the Department makes its final determination.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with our preliminary determination within five days of its public announcement. Interested parties may submit case and rebuttal briefs, as well as request a hearing. For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum. This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act and 19 CFR 351.205(c).

Dated: July 11, 2016.

Ronald K. Lorentzen,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

I. Summary
II. Background
III. Scope Comments
IV. Scope of the Investigation
V. Preliminary Determination of Critical Circumstances
VI. Injury Test
VII. Application of the CVD Law to Imports
VIII. Alignment
IX. Use of Facts Otherwise Available and Adverse Inferences
X. Subsidies Valuation
XI. Benchmarks and Interest Rates
XII. Analysis of Programs
XIII. Disclosure and Public Comment
XIV. Conclusion

Appendix II

Scope of the Investigation

The merchandise covered by this investigation is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (e.g., cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of shape, and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, i.e., products which have been “worked after rolling” (e.g., products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above: (1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above; and (2) where the width and thickness vary for a specific product (e.g., the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies. All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded.

Subject merchandise includes stainless steel sheet and strip that has been further processed in a third country, including but not limited to cold-rolling, annealing, tempering, polishing, aluminizing, coating, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the stainless steel sheet and strip.
Excluded from the scope of this investigation are the following: (1) Sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (i.e., flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (i.e., cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm).

The products under investigation are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7219.13.0091, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0002, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7220.32.0005, 7220.32.0020, 7220.32.0025, 7220.32.0035, 7220.32.0036, 7220.32.0037, 7220.32.0042, 7220.32.0044, 7220.32.0045, 7220.32.0060, 7220.33.0005, 7220.33.0020, 7220.33.0025, 7220.33.0035, 7220.33.0036, 7220.33.0038, 7220.33.0042, 7220.33.0044, 7220.33.0045, 7220.34.0005, 7220.34.0020, 7220.34.0025, 7220.35.0005, 7220.35.0015, 7220.35.0030, 7220.35.0035, 7220.35.0050, 7220.35.0055, 7220.35.0060, 7220.35.0070, 7220.90.0025, 7220.90.0025, 7220.90.0060, 7220.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6006, 7220.20.6090, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

DEPARTMENT OF COMMERCE
International Trade Administration
[A–580–870]

Certain Oil Country Tubular Goods From the Republic of Korea: Initiation and Expedited Preliminary Results of Changed Circumstances Review

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

DATES: Effective Date: July 18, 2016.

SUMMARY: In response to a request from Hyundai Steel Co. Ltd. (Hyundai Steel), a producer/exporter of certain oil country tubular goods (OCTG) from the Republic of Korea (Korea), and pursuant to section 751(b) of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216 and 351.221(c)(3)(ii), the Department is initiating a changed circumstances review (CCR) and issuing the preliminary results of the CCR.


SUPPLEMENTARY INFORMATION:

Background

On September 10, 2014, the Department published an antidumping duty order on OCTG from Korea.1 On February 24, 2016,2 Hyundai Steel informed the Department that effective July 1, 2015, it had merged with Hyundai HYSCO,3 and requested that: (1) The Department conduct a CCR under 19 CFR 351.216(b) to determine that it is the successor-in-interest to Hyundai HYSCO for purposes of determining Hyundai Steel’s antidumping duty cash deposits and liabilities; (2) the Department’s successor-in-interest determination be effective as of July 1, 2015, the date on which the merger was completed; and (3) on an expedited basis under 19 CFR 351.221(c)(3)(ii).

On May 18, 2016,4 the Department declined to initiate the CCR that Hyundai Steel requested in its February 24, 2016, CCR Request. The Department determined that it would not conduct a CCR of a final determination in an investigation less than 24 months after the publication of the final determination absent showing of good cause.5 The Department further found that Hyundai Steel “did not reference or attempt to show good cause” in its February 24, 2016, request.6 On May 31, 2016,7 Hyundai Steel filed its second request for a CCR, in which it alleged that that good cause exists in this case and requested that the Department initiate a CCR.

We received no comments from any other interested party.

Scope of the Review

The merchandise covered by this review is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock. For a complete description of the scope of the investigation, see Appendix I to this notice.

Initiation and Preliminary Results

Pursuant to section 751(b)(1) of the Act, the Department will conduct a CCR upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order.8 In addition, because the final determination was published less than 24 months prior to the date on which Hyundai Steel submitted its request for a CCR (i.e., May 31, 2016), and pursuant to section 351.216(c) of the Department’s regulations, a CCR will not be initiated unless good cause exists. We find that good cause exists in the instant CCR request to initiate this CCR before the 24-month anniversary of the final determination, as demonstrated by Hyundai Steel.9 Moreover, as noted above in the “Background” section, we have received information indicating that on July 1, 2015, Hyundai HYSCO merged with Hyundai Steel, with the