DEPARTMENT OF COMMERCE

International Trade Administration
[A–588–874]

Certain Hot-Rolled Steel Flat Products from Japan: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances

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

SUMMARY: The Department of Commerce (the Department) determines that certain hot-rolled steel flat products (hot-rolled steel) from Japan are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2014, through June 30, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Effective August 12, 2016.

FOR FURTHER INFORMATION CONTACT: Myrna Lobo or Jun Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482–2371 or (202) 482–1396, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 22, 2016, the Department published the Preliminary Determination of this antidumping duty (AD) investigation.1 A summary of the events that occurred since the Department published the Preliminary Determination, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Final Issues and Decision Memorandum.2

Scope of the Investigation

The products covered by this investigation are hot-rolled steel flat products from Japan. For a full description of the scope of this investigation, see the “Scope of the Investigation,” in Appendix I of this notice.

Scope Comments

In the Preliminary Scope Decision Memorandum,3 the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues. In the Preliminary Determination, we did not modify the scope language as it appeared in the Initiation Notice.4 No interested parties submitted scope comments, except for Nippon Steel & Sumitomo Metal Corporation/Nippon Steel & Sumikin Bussan Corporation (collectively, the Nippon Group) in its case brief and petitioner United States Steel Corporation in its rebuttal brief. These comments are addressed in the Final Issues and Decision Memorandum. The scope of this investigation remains unchanged for this final determination.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Final Issues and Decision Memorandum, which is hereby adopted by this notice.5 A list of the issues raised is attached to this notice as Appendix II. The Final Issues and 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 https://access.trade.gov and it is available to all parties in the Central Records Unit, Room B–8024 of the main Department of Commerce building. In addition, a complete version of the Final Issues and Decision Memorandum can be accessed directly at http://enforcement.trade.gov/frn/index.html. The signed and electronic versions of

1 See Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 81 FR 15222 (March 22, 2016) (Preliminary Determination) and accompanying Preliminary Decision Memorandum.

2 See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Affirmative Determination in the Antidumping Duty Investigation of Certain Hot-Rolled Steel Flat Products from Japan,” (Final Issues and Decision Memorandum), dated concurrently with this determination and hereby adopted by this notice.

3 See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Hot-Rolled Steel Products from Australia, Brazil, Japan, the Netherlands, the Republic of Korea, Turkey, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determinations” dated March 14, 2016 (Preliminary Scope Decision Memorandum).

4 See Preliminary Decision Memorandum at page 5. See also Certain Hot-Rolled Steel Flat Products From Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations, 80 FR 54261, 54262 (September 9, 2015) (Initiation Notice).

5 See Final Issues and Decision Memorandum.

6 With two respondents, we would normally calculate (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company’s publicly-ranged values for the merchandise under consideration.
Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

<table>
<thead>
<tr>
<th>Exporter/producer</th>
<th>Weighted-average dumping margins (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nippon Steel &amp; Sumitomo Metal Corporation/Nippon Steel &amp; Sumikin Bussan Corporation ...</td>
<td>4.99</td>
</tr>
<tr>
<td>...JFE Steel Corporation/JFE Shoji Trade Corporation ................</td>
<td>7.51</td>
</tr>
<tr>
<td>...All-Others .........................</td>
<td>5.58</td>
</tr>
</tbody>
</table>

Entries of hot-rolled steel from Japan, which were entered, or withdrawn from warehouse, for consumption on or after December 23, 2015 (for those entities for which we found critical circumstances exist) or on or after March 22, 2016, the date of publication in the Federal Register of the affirmative Preliminary Determination (for all entities for which we did not find critical circumstances exist). Because we find in this final determination that critical circumstances exist for all other producers/exporters, we will instruct CBP to suspend liquidation of all such entries on or after December 23, 2015 (which is 90 days prior to the publication of the Preliminary Determination) consistent with section 735(c)(4)(B) of the Act and require cash deposits. Further, because we find critical circumstances do not exist for the JFE Group, we will terminate the retroactive suspension of liquidation ordered at the Preliminary Determination and release any cash deposits that were required during that period, consistent with section 735(c)(3) of the Act.

Further, pursuant to section 735(c)(1)(B)(ii) of the Act, CBP shall require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price, as follows: (1) For the exporterproducer listed in the table above, the cash deposit rate will be equal to the weighted average dumping margin which the Department determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 5.58 percent, as discussed in the “All-Others Rate” section, above. These instructions suspending liquidation will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2)(B) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of hot-rolled steel from Japan no later than 45 days after our final determination. If the ITC determines that such injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely 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 the terms of an APO is a violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: August 4, 2016.

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

Appendix I—Scope of the Investigation

The products covered by this investigation are certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastic or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of thickness, and 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 of 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 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 achieve 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 stated 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 unless the resulting measurement makes the product covered by the existing...
antidumping 9 or countervailing duty 10 orders on Certain Cut-To-Length Carbon-Quality Steel Plate Products From the Republic of Korea (A–580–836; C–580–837), 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.

Steel products included in the scope of this investigation are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, the substrate for motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes hot-rolled steel that has been further processed in a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, 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 hot-rolled steel.

All products covered by this investigation are hot rolled, cut to length, and not less than 0.3 mm thick. The products subject to the investigation may also enter under the following HTSUS numbers: 7210.90.0000, 7211.90.0000, 7225.50.0000, 7225.70.0000, 7226.40.0000, and 7226.60.0000.

The HTSUS subheadings above are provided for convenience and U.S. Customs and Border Protection purposes only. The written description of the scope of the investigation is dispositive.

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

I. Summary
II. Background
III. Final Determination of Critical Circumstances, in Part
IV. Scope of the Investigation
V. Scope Comments
VI. Analysis of the Preliminary Determination
VII. Comparison to Fair Value
VIII. Discussion of the Issues

Paper Group

Comment 1: Whether the Department Should Continue to Apply AFA to Steelscape’s Sales of Non-prime Merchandise

Comment 2: Whether the Department Should Continue to Apply AFA to Home Market Sales by Certain of Nippon Group’s Affiliated Downstream Resellers

Comment 3: Whether the Department Should Include Freight Revenue and Fuel Revenue on U.S. Sales Made by Steelscape

Comment 4: Whether the Department Should Reduce the Weight of the Margin Calculated for Sales by One of the Nippon Group’s CEP Resellers

Comment 5: Whether the Department Should Accept the Destination Key for One of its CEP Resellers as a Minor Correction

Comment 6: Whether the Department Should Apply AFA on Unreported Data and Whether the Department Should Decline to Increase the Cost of Further Manufacturing to Reflect its Calculation of a Markup that Steelscape Washington Charged to its Parent, Steelscape LLC, for Processing Services Performed by Steelscape Washington

Comment 7: Whether the Department Should Find that Critical Circumstances Exist for Imports of the Merchandise Under Consideration Shipped by Nippon Group

Comment 8: Whether the Department Should Revise its Differential Pricing Analysis

Comment 9: Whether the Department Should Exclude Certain Products Produced by Nippon Group from the Scope of the Investigation

9 See Notice of Amendment of Final Determinations of Sales at Less Than Fair Value and Antidumping Duty Orders: Certain Cut-To-Length Carbon-Quality Steel Plate Products From France, India, Indonesia, Italy and the Republic of Korea, 65 FR 6358 (February 10, 2000).


11 For purposes of this scope exclusion, rolling operations such as a skin pass, levelling, temper rolling or other minor rolling operations after the hot-rolling process for purposes of surface finish, flatness, shape control, or gauge control do not constitute cold-rolling sufficient to meet this exclusion.

12 Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight specified: (i) Not less than 0.95 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.48 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

13 Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) More than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than 0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent or 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and not more than 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

14 Si-Manganese steel is defined as steels containing by weight: (i) Not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese; and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.
Comment 10: Whether the Department Should Make an Adjustment for Nippon Group’s Purchases of Iron Ore at Below Market Value
Comment 11: Whether the Department Should Accept Nippon Group’s Value-Added Calculation and Its Unreported Further-Manufactured U.S. sales
Comment 12: Further Manufacturing Financial Expense Ratio
Comment 13: General & Administrative Expense Ratio
JFE Group
Comment 14: Whether the Department Erred in Applying Adverse Facts Available to Certain Downstream Home Market Sales
Comment 15: Whether Adverse Facts Available is Warranted for Other Unreported Downstream Sales
Comment 16: Whether Shoji America’s Indirect Selling Expense Should be Increased
Comment 17: Whether Shoji America’s Freight Expense Should be Increased
Comment 18: Whether Verification Minor Corrections Should Be Incorporated into the Final Determination
Comment 19: Whether the Department Erred by Resetting JFES’s Reported Home Market Credit Expense
Comment 20: Whether the Department Should Apply a CEP Offset on JFE’s CEP Sales
Comment 21: Whether the Department Should Exclude Sales by CSI from its Antidumping Calculation
Comment 22: Whether the Department Should Continue to Apply AFA to the Cost of Inputs Supplied by JFE Shoji
Comment 23: Whether the Department Erred in Applying the Transactions Disregarded Adjustment
Comment 24: Whether the Department Should Adjust JFE’s COM for Non-Prime Products
Comment 25: Whether the Department Should Increase JFE’s COM for Reconciliation Differences
Tokyo Steel
Comment 26: Whether the Department’s Refusal to Select Tokyo Steel as a Mandatory Respondent Is Unlawful
Comment 27: Whether the Department Should Correct the Clerical Error in Its Preliminary Results
IX. Recommendation

DEPARTMENT OF COMMERCE
International Trade Administration

[A–570–849]


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

DATES: Effective August 12, 2016.

SUMMARY: The Department of Commerce (“Department”) is conducting an administrative review of the antidumping duty order on certain cut-to-length carbon steel plate (“CTL plate”) from the People’s Republic of China (“PRC”) covering the period of review (“POR”) November 1, 2014, through October 31, 2015. We preliminarily find that of the two companies under review, one made no shipments of subject merchandise during the POR and the other company has not demonstrated its eligibility for separate rate status, and, thus, is part of the PRC-wide entity. Interested parties are invited to comment on these preliminary results.


SUPPLEMENTARY INFORMATION:

Background

After initiating this review, the Department issued an antidumping duty questionnaire to Hunan Valin Xiangtan Iron and Steel Co., Ltd. (“Hunan Valin”), which notified the Department that it would not respond to the questionnaire. The other respondent, Wuyang Iron & Steel Co., Ltd. (“Wuyang Steel”) reported that it made no exports, sales, or entries during the POR. All review requests were timely withdrawn for the other 14 companies for which this review was initiated. For a complete description of the events that followed the initiation of this administrative review, see the Preliminary Decision Memorandum hereby adopted by this notice.2

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 in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Results Decision Memorandum can be accessed directly on the Internet at http://enforcement.trade.gov/frn/index.html. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

The Department has exercised its discretion to toll all administrative deadlines due to the closure of the Federal Government because of Snowstorm “Jonas”. Thus, all of the deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the preliminary results of review is now August 5, 2016.3

Scope of the Order

The product covered by the order is certain cut-to-length carbon steel plate from the PRC.4 This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7210.70.3000, 7212.40.5000, and 7212.50.0000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Partial Rescission

Pursuant to 19 CFR 351.213(d)(1), the Department will rescind an

2 See the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Ronald K. Lorenzen, Acting Assistant Secretary for Enforcement and Compliance “Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review of Certain Cut-to-Length Carbon Steel Plate from the People’s Republic of China,” dated concurrently with this notice (“Preliminary Decision Memorandum”).


4 For a complete description of the scope of the order see Preliminary Decision Memorandum.

1 See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 81 FR 739 (January 7, 2016) (“Initiation Notice”).