This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
B–53–2015
Application for Additional Production Authority: The Coleman Company, Inc.; Subzone 119I; (Textile-Based Personal Flotation Devices); Change of Location for Public Hearing
A public hearing has been scheduled for February 24, 2016, at 9:30 a.m., on the application for additional production authority submitted by The Coleman Company, Inc., for activity within Subzone 119I in Sauk Rapids, Minnesota (see 80 FR 79820, December 23, 2015). The location for the hearing has been changed to Room 48019, U.S. Department of Commerce, Hoover Building, 1401 Constitution Avenue NW., Washington, DC 20230.

DEPARTMENT OF COMMERCE
International Trade Administration
A–570–849
Certified Cut-to-Length Carbon Steel Plate From the People’s Republic of China: Request

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DEPARTMENT OF COMMERCE
International Trade Administration
A–570–849
Certified Cut-to-Length Carbon Steel Plate From the People’s Republic of China: Request
also found it appropriate to apply its second determination “on a countrywide basis, given that multiple parties have been found to be circumventing the order using the same general approach (i.e., inclusion of small inconsequential amounts of an alloying element in order to change the tariff classification from non-alloy to alloy steel).”

Domestic Producers contended that PRC producers are now adding other alloying elements, in addition to boron, to otherwise subject CTL plate in order to circumvent the Order. According to Domestic Producers, PRC manufacturers have an incentive to produce the CTL plate at issue to circumvent antidumping duties, and only began adding certain alloying elements in response to the Order and the Department’s prior circumvention findings.

Domestic Producers stated that another possible motivation for PRC CTL plate producers to add other alloying elements to their plate, such as chromium, is the PRC government’s cancellation of the Value Added Tax (“VAT”) export rebate for steel with boron added. CTL plate with other alloys continues to receive the VAT rebate. Domestic Producers submitted news articles to support this contention.

On July 6, 2015, the Department identified various areas of the Domestic Producers’ Request that required clarification and therefore issued questions to them. In their responses, Domestic Producers clarified the names and addresses of the exporters and importers of the product that they believe is being produced to circumvent the Order. Regarding the PRC government’s cancellation of VAT rebates for steel with boron added, Domestic Producers submitted an official announcement from the PRC government’s Ministry of Finance, cancelling the rebate program. Domestic Producers also clarified that 80 percent of the market for commodity-grade carbon steel plate meets ASTM specifications A36 and A572, and that there is no overlap between these specifications and alloy steel specifications that require heat treatment, have a higher tensile strength, and require minimum levels of nickel, chromium, and molybdenum.

Domestic Producers also stated that the inclusion of boron in toyota tsusho circumvention final determination, without specifying whether the heat treatment must occur before or after importation, how U.S. Customs and Border Protection (“CBP”) can administer such a proposed rule, and what alloy ASTM specifications are at issue.

On August 28, 2015, the Department issued another request for information to Domestic Producers, to which they responded on September 11, 2015. In their response, Domestic Producers clarified that their request covers steel plate with any alloy listed in note (f) of Chapter 72 of the HTSUS at levels that would allow the plate to be classified as alloy steel under the HTSUS, that is marketed, priced or sold in the United States as commodity-grade carbon steel plate or made to specifications considered to be carbon steel specifications in the market (e.g., ASTM specifications A36 and A572). For further support of their claim that PRC producers are adding alloying elements other than boron, chromium and titanium to CTL plate to circumvent the Order, Domestic Producers submitted news articles regarding PRC steel overproduction, as well as information regarding a circumvention inquiry in Australia. Domestic Producers claimed that adding any alloys to commodity-grade steel plate has no commercial or metallurgical purpose other than to change the tariff classification of the plate in the HTSUS. Domestic Producers also explicitly stated that the three-part exclusion established in toyota tsusho circumvention final determination is no longer a legitimate or reliable exclusion for the Order, and that the Department should analyze boron in the
same manner as any other alloy. Domestic Producers also stated that ASTM specification A36 steel would not be classifiable as alloy steel in the HTSUS due to its manganese or silicon content because this ASTM specification has a maximum range for manganese and silicon below the thresholds in note (f) of Chapter 72 of the HTSUS. According to Domestic Producers, the application of the circumvention inquiry to ASTM specifications A36 and A572 would be easily enforced by CBP since these specifications are identified in mill test certificates and also marked on the steel itself. However, Domestic Producers also requested that all “commodity-grade” steel plate be covered by the circumvention inquiry in case any ASTM specifications are eliminated, circumvention inquiry in case any ASTM specifications are eliminated, changed or developed in the future.

On November 18, 2015, the Department again issued a request for information to the Domestic Producers requesting clarification of certain previously submitted evidence and additional evidence relating to their allegation. On November 24, 2015, Domestic Producers submitted their response to the request for information. In their response, Domestic Producers provided evidence that is business proprietary.

On January 26, 2016, Domestic Producers submitted additional business proprietary factual support for their request for a circumvention inquiry.

Scope of the Order

The product covered by the order is certain cut-to-length carbon steel plate from the PRC. Included in this description is hot-rolled iron and non-alloy steel universal mill plates (i.e., flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief), of rectangular shape, neither clad, plated nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances; and certain iron and non-alloy steel flat-rolled products not in coils, of rectangular shape, hot-rolled, neither clad, plated, nor coated with metal, whether or not painted, varnished, or coated with plastics or other nonmetallic substances, 4.75 mm or more in thickness and of a width which exceeds 150 mm and measures at least twice the thickness. Included as subject merchandise in the order are flat-rolled products of nonrectangular cross-section where such cross-section is achieved subsequent to the rolling process (i.e., products which have been “worked after rolling”)—for example, products which have been bevelled or rounded at the edges. This merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 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. Specifically excluded from subject merchandise within the scope of the order is grade X–70 steel plate.

Merchandise Subject to the Minor Alterations Antidumping Duty Circumvention Inquiry

For the reasons explained below in the “Conclusion” section of this notice, we have not initiated this circumvention inquiry on all of the products described in Domestic Producers’ Request. Rather, this circumvention inquiry covers all CTL plate from the PRC made to ASTM A36 or A572 specifications with levels of chromium or titanium above the levels identified in note (f), “Other alloy steel”, of Chapter 72 of the HTSUS. This inquiry also covers all CTL plate from the PRC made to ASTM A36 or A572 specifications which contains levels of boron above the levels identified in note (f) of Chapter 72 of the HTSUS and which has not been heat treated to meet tensile and hardness requirements beyond commodity-grade ASTM specifications. This inquiry will cover U.S. imports of all CTL plate from the PRC.

Initiation of Minor Alterations Antidumping Duty Circumvention Proceeding

Section 781(c)(1) of the Act provides that the class or kind of merchandise subject to an antidumping duty order shall include articles “altered in form or appearance in minor respects . . . whether or not included in the same tariff classification.” The Department notes that, while the statute is silent as to what factors to consider in determining whether alterations are properly considered “minor,” the legislative history of this provision indicates there are certain factors which should be considered before reaching a circumvention determination. In conducting a circumvention inquiry under section 781(c) of the Act, the Department has generally relied upon such criteria as the overall physical characteristics of the merchandise, the expectations of the ultimate users, the use of the merchandise, the channels of marketing and the cost of any modification relative to the total value of the imported products.”

Overall Physical Characteristics

According to Domestic Producers, the CTL plate at issue is made in nearly the same manner, made to the same specifications, and has the same physical characteristics as carbon steel plate. Domestic Producers claimed that the effect of the added alloying elements is negligible. Specifically, Domestic Producers claimed that commodity-grade carbon steel plate of ASTM specifications A36 and A572 is not heat-treated, and thus cannot achieve the hardenability of alloy steel by adding alloys. Thus, Domestic Producers maintained that CTL plate with small amounts of alloying elements that is considered commodity-grade steel plate has the same physical characteristics as subject CTL plate.

Expectations of the Ultimate Users

Domestic Producers contended that the ultimate users purchasing the CTL
plate at issue with elevated levels of alloy elements expect a commodity-grade, rather than a specialty alloy, product because of the way the product is represented to purchasers, and because of its price.\textsuperscript{43} Also, according to Domestic Producers, information in recent administrative reviews of the Order indicating that no importers entered steel plate from the PRC into the United States as subject merchandise, supports the belief that the ultimate users of CTL plate are consuming plates with elevated levels of boron, chromium and titanium, in place of steel plate without elevated levels of boron, chromium and titanium.\textsuperscript{44}

**Use of the Merchandise**

Domestic Producers argued that the product at issue is used for the same purposes as subject merchandise.\textsuperscript{45} Domestic Producers claimed that adding alloys to commodity-grade steel plate has no commercial or metallurgical purpose other than to change the tariff classification in the HTSUS.\textsuperscript{46} Domestic Producers stated that the CTL plate at issue with elevated alloy levels is still classified as ASTM A36 and A572 plate, and thus is not suitable for additional uses beyond those of commodity-grade plate with these specifications.\textsuperscript{47} Domestic Producers also contended that the addition of elevated levels of alloying elements are only useful when steel plate is heat treated, which has a substantial cost, and PRC producers are not heat treating the steel plates at issue.\textsuperscript{48} Specifically, Domestic Producers claim that commodity-grade carbon steel plate of ASTM specifications A36 and A572 is generally not heat-treated.\textsuperscript{49}

**Channels of Marketing**

Domestic Producers stated that PRC producers market the CTL plate at issue in the same manner as the CTL plate without the alloying elements.\textsuperscript{50} According to Domestic Producers, the CTL plate at issue and subject plate appeal to the same end users and are used for the same end uses.\textsuperscript{51}

**Cost of Modification**

Domestic Producers claimed that the cost of adding only small amounts of alloying elements is small when compared to the total cost of production and total value of CTL plate.\textsuperscript{52} In particular, Domestic Producers noted that the Department determined in CTL Plate from Canada that the cost of adding alloying elements is minor relative to the total value of the merchandise.\textsuperscript{53} Also, as noted above, Domestic Producers contended that alloying elements are only useful when steel plate is heat treated, which has a substantial cost; however, PRC producers are not heat treating the steel plate at issue.\textsuperscript{54}

**Conclusion**

Based on the information provided by Domestic Producers, the Department finds there is sufficient basis to initiate an antidumping duty circumvention inquiry, pursuant to section 781(c) of the Act, to determine whether CTL plate from the PRC made to ASTM A36 or A572 specifications with levels of chromium or titanium above the levels identified in note (f) of Chapter 72 of the HTSUS involves a minor alteration to subject merchandise that is so insignificant as to render the resulting merchandise (classified as “alloy” steel under the HTSUS) subject to the Order. We also find sufficient basis to initiate an antidumping duty circumvention inquiry, pursuant to section 781(c) of the Act, to determine whether CTL plate from the PRC made to ASTM A36 or A572 specifications which contains levels of boron above the levels identified in note (f) of Chapter 72 of the HTSUS and which has not been heat treated to meet tensile and hardness requirements beyond commodity-grade ASTM specifications involves a minor alteration to subject merchandise that is so insignificant as to render the resulting merchandise (classified as “alloy” steel under the HTSUS) subject to the Order.

Although Domestic Producers requested a circumvention inquiry with respect to all of the alloying elements identified in note (f), “Other alloy steel”, of Chapter 72 of the HTSUS, we limited initiation to the alloys noted above (chromium, titanium, and boron where there was no heat treatment) based on the evidence of alleged circumvention provided. Moreover, we have not described the merchandise subject to this inquiry as steel plate marketed, priced or sold in the United States as commodity-grade carbon steel plate or made to specifications considered to be carbon steel specifications in the market because of concerns over the administrability of that language (e.g., difficulties determining whether certain prices are commodity-grade carbon steel plate prices, the lack of clarity with respect to which specifications should be considered to be carbon steel specifications). Based on the evidence of alleged circumvention provided, and Domestic Producers’ statement that 80 percent of the market for commodity-grade carbon steel plate meets ASTM specifications A36 and A572, we have described the merchandise subject to this inquiry as CTL plate from the PRC made to ASTM A36 or A572 specifications. Lastly, as noted above, the Department intends to apply its circumvention ruling to all U.S. imports of CTL plate from the PRC, consistent with the recent history of this proceeding.\textsuperscript{55}

Although Domestic Producers requested that the Department make a final ruling within 45 days, additional time is needed for further inquiry into Domestic Producers’ allegations. The Department intends to issue its final determination within 300 days of the date of the initiation of this antidumping duty circumvention inquiry.

The Department will not order the suspension of liquidation of entries of any of the merchandise at issue at this time. However, in accordance with 19 CFR 351.225(i)(2), if the Department issues a preliminary affirmative determination, we will then instruct CBP to suspend liquidation and require a cash deposit of estimated duties, at the applicable rate, for each unliquidated entry of the merchandise at issue, entered, or withdrawn from warehouse for consumption, on or after the date of initiation of the inquiry.

The Department will establish a schedule for questionnaires and comments on the issues. This notice is published in accordance with section 781(c) of the Act and 19 CFR 351.225(i).


Paul Piquado,
Assistant Secretary for Enforcement and Compliance.

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\textsuperscript{43} See Domestic Producers’ Request at 17–19 and the Alloying Elements Circumvention BPI Memorandum at Note 7.

\textsuperscript{44} See Third Supplemental Submission at 7–8.

\textsuperscript{45} See Domestic Producers’ Request at 19–20.

\textsuperscript{46} See Second Supplemental Submission at 7–8.

\textsuperscript{47} See Domestic Producers’ Request at 19–20.

\textsuperscript{48} See First Supplemental Submission at 10–12, 15–17.

\textsuperscript{49} Id. at 14, 17, 23–24; see also Alloying Elements Circumvention BPI Memorandum at Note 8.

\textsuperscript{50} See Domestic Producers’ Request at 20.

\textsuperscript{51} Id. and Alloying Elements Circumvention BPI Memorandum at Note 9.

\textsuperscript{52} See Domestic Producers’ Request at 20.

\textsuperscript{53} Id. at 20–21.

\textsuperscript{54} See First Supplemental Submission at 10–12, 15–17.

\textsuperscript{55} See Wuyang Circumvention Final Determination, 76 FR at 50997.