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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-865

Certain Hot-Rolled Carbon Steel Flat Products from the People's Republic of China: Preliminary Results of 2011-2012 Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“Department”) is conducting an administrative review of the antidumping duty order on certain hot-rolled carbon steel flat products (“hot-rolled steel”) from the People’s Republic of China (“PRC”)¹, covering the period of review (“POR”) November 1, 2011 through October 31, 2012. The Department preliminarily determines that Baosteel Group Corporation, Shanghai Baosteel International Economic & Trading Co., Ltd., and Baoshan Iron and Steel Co., Ltd. (collectively, “Baosteel”) had no shipments of subject merchandise to the United States during the POR.

EFFECTIVE DATE: (Insert date published in the *Federal Register*)

FOR FURTHER INFORMATION CONTACT: Steven Hampton, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone (202) 482-0116.

SUPPLEMENTARY INFORMATION

Background

The Department is conducting an administrative review of the antidumping duty order on hot-rolled steel from the PRC. On November 29, 2001, the Department published in the *Federal*

¹ See *Notice of Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products from the People’s Republic of China*, 66 FR 59561 (November 29, 2001).

Register an antidumping duty order on hot-rolled steel from the PRC. On December 31, 2012, the Department published a notice of initiation of an administrative review of the antidumping duty order on hot-rolled steel from the PRC covering the period November 1, 2011, to October 31, 2012, for one company, Baosteel.² On January 28, 2013, in response to the Department's *Initiation Notice*, Baosteel certified that it had no sales of subject merchandise during the POR.³

Scope of the Order

The products covered by the order are certain hot-rolled carbon steel flat products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers), regardless of thickness, and in straight lengths of a thickness of less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1,250 mm, and of a thickness of not less than 4.0 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of the order. Specifically included within the scope of the order are vacuum degassed, fully stabilized (commonly referred to as interstitial-free ("IF")) steels, high strength low alloy ("HSLA") steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 FR 77017 (December 31, 2012) ("*Initiation Notice*").

³ See Letter from Baosteel regarding Certain Hot-Rolled Carbon Steel Flat Products from the People's Republic of China/No Sales Certification, dated January 28, 2013 ("*Baosteel No Sales Certification*").

such as chromium, copper, niobium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum. Steel products included in the scope of the order, regardless of definitions in the Harmonized Tariff Schedule of the United States (“HTSUS”), are products in which: i) iron predominates, by weight, over each of the other contained elements; ii) the carbon content is two percent or less, by weight; and, iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 2.25 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

All products that meet the physical and chemical description provided above are within the scope of the order unless otherwise excluded. The following products, for example, are outside or specifically excluded from the scope of the order:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, *e.g.*, American Society for Testing and Materials (“ASTM”) specifications A543, A387, A514, A517, A506).
- Society of Automotive Engineers (“SAE”)/American Iron & Steel Institute (“AISI”) grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.
- Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 2.25 percent.
- ASTM specifications A710 and A736.
- USS abrasion-resistant steels (USS AR 400, USS AR 500).
- All products (proprietary or otherwise) based on an alloy ASTM specification (sample specifications: ASTM A506, A507).
- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS.

The merchandise subject to the order is classified in the HTSUS at subheadings:

7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, and 7211.19.75.90. Certain hot-rolled carbon steel flat products

covered by the order, including: vacuum degassed fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.

Preliminary Determination of No Shipments

As noted in the “Background” section above, Baosteel has submitted a timely-filed certification indicating that it had no sales of subject merchandise to the United States during the POR.⁴ In addition, in response to our request for information on entries of subject merchandise during the POR, U.S. Customs and Border Protection (“CBP”) did not provide any evidence contradicting Baosteel’s claim of no sales. Further on June 5, 2013, the Department released to interested parties the results of the CBP used to corroborate Baosteel’s no sales claim which indicated that there were no entries of subject merchandise during the POR from any exporter, including Baosteel.⁵ The Department received no comments from any interested parties concerning the results of the CBP query.

Based on the certification of Baosteel and our analysis of CBP information, the Department preliminarily determines that Baosteel did not have any reviewable transactions during the POR. In addition, consistent with the Department’s refinement to its assessment

⁴ See Baosteel No Sales Certification.

⁵ See Memorandum to the File from Steven Hampton, International Trade Analyst, Office 9, Import Administration regarding 2011-2012 Administrative Review of Certain Hot-Rolled Carbon Steel Flat Products from the People’s Republic of China: CBP confirmation of No Sales with respect to Baosteel, dated June 5, 2013.

practice in non-market economy (“NME”) cases, the Department finds that it is appropriate not to rescind the review in these circumstances but rather, to complete the review with respect to Baosteel and issue appropriate instructions to CBP based on the final results of the review.⁶

Disclosure and Public Comment

Pursuant to 19 CFR 351.309(c), interested parties may submit cases briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs.⁷ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁸ Case and rebuttal briefs should be filed electronically via the Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”).⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, filed electronically via IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department’s electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.¹⁰ Requests should contain: (1) The party’s name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs.

⁶ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) and the “Assessment Rates” section, below (“*Assessment Practice Refinement*”).

⁷ See 19 CFR 351.309(d).

⁸ See 19 CFR 351.309(c)(2) and (d)(2).

⁹ See 19 CFR 351.303.

¹⁰ See 19 CFR 351.310(c).

The Department will issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (“Act”).

Assessment Rates

Upon issuance of the final results, the Department will determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review. Pursuant to the refinement to its assessment practice in NME cases, if the Department continues to determine that an exporter under review had no shipments of subject merchandise, any suspended entries that entered under that exporter’s case number (*i.e.*, at that exporter’s rate) will be liquidated at the PRC-wide rate.¹¹

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) For Baosteel, which claimed no shipments, the cash deposit rate will remain unchanged from the rate assigned to the company in the most recently completed review of the company; (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 90.83 percent; and (4) for all non-PRC exporters of subject

¹¹ For a full discussion of this practice, *see Assessment Practice Refinement*, 76 FR at 65694-95.

merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

The Department is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

July 8, 2013
Date

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