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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-855]

Steel Threaded Rod from India: Preliminary Determination of Sales at Less Than Fair Value, Affirmative Preliminary Determination of Critical Circumstances, in Part, and Postponement of Final Determination

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

SUMMARY: The Department of Commerce (the “Department”) preliminarily determines that steel threaded rod from India is being, or is likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 733(b) of the Tariff Act of 1930, as amended (the “Act”). The period of investigation (“POI”) is April 1, 2012, through March 31, 2013. The estimated weighted-average dumping margins of sales at LTFV are listed in the “Preliminary Determination” section of this notice. Interested parties are invited to comment on this preliminary determination.

DATES: EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Paul Stolz or Raquel Silva, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4474 or (202) 482-6475.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The merchandise covered by this investigation is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section,

of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are non-headed and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. For a complete description of the scope of the investigation, *see* Appendix I to this notice.

Postponement of Final Determination

Pursuant to section 735(a)(2) of the Act, on December 13, 2013, and December 18, 2013, Petitioners¹ and Mangal Steel Enterprises Limited (“Mangal”), one of the mandatory respondents in this proceeding, respectively, requested that the Department postpone the final determination.² In accordance with section 733(d) of the Act and 19 CFR 351.210(b), because (1) our preliminary determination is affirmative, (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise, and (3) no compelling reasons for denial exist, we are granting the requests and are postponing the final determination until no later than 135 days after the publication of the preliminary determination notice in the *Federal Register*. Suspension of liquidation will be extended accordingly. The Department is further extending the application of the provisional measures from a four-month period to a six-month period.

¹ The petition was filed by All America Threaded Products Inc., Bay Standard Manufacturing Inc., and Vulcan Threaded Products Inc. (“Petitioners”).

² *See* Letter from Petitioners, “Antidumping Duty Investigation of Steel Threaded Rod from India — Petitioners’ Request for Extension of Time for Final Determination,” dated December 13, 2013; and Letter from Mangal, “Steel Threaded Rod from India: Request for Extension of the Final Determination and Provisional Measures,” dated December 18, 2013.

Preliminary Determination of Affiliation and Collapsing

Based on the evidence presented in Mangal's questionnaire responses, we preliminarily find that Mangal and Corona Steel Industries Private Limited ("Corona") are affiliated pursuant to sections 771(33)(A) and (F) of the Act.³ Additionally, based on an analysis of the principle/agent relationship between Mangal and NASCO,⁴ a U.S. trader/reseller of Mangal-produced subject merchandise, we preliminarily find Mangal and NASCO to be partners and, thus, affiliated pursuant to section 771(33)(G) of the Act.⁵

In addition, based on the evidence presented in the questionnaire responses, we preliminarily find that Mangal and Corona should not be treated as a single entity for the purposes of this investigation. This finding is based on the determination that the record does not demonstrate significant potential for manipulation of price or production between Mangal and Corona pursuant to the criteria laid out in 19 CFR 351.401(f). For further discussion of the Department's affiliation and collapsing decision, *see* the Affiliation and Collapsing Memorandum. We note that we will continue to actively consider the issue of whether to treat Mangal and Corona as a single entity for the purposes of the final determination.

³ *See* the Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations entitled "Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Steel Threaded Rod from India" ("Preliminary Decision Memorandum"), and Memorandum to the File, entitled, "Affiliation and Collapsing, Mangal Steel Enterprises Limited and Corona Steel Industries Private Limited," ("Affiliation and Collapsing Memorandum"), each dated concurrently with this notice.

⁴ The fact that NASCO is Mangal's trader/reseller was initially bracketed by Mangal and identified as proprietary information. However, Mangal and Petitioners subsequently disclosed this information publicly on the record. *See, e.g.*, Letter from Mangal, "Steel Threaded Rod from India: Supplemental Section A Response," dated January 3, 2014, at 8 (stating: "or requiring Mangal to only sell threaded rod in the United States through NASCO."); *see also* Letter from Petitioners, "Antidumping Investigation of Steel Threaded Rod from India — Petitioners' Deficiency Comments on Response of Mangal Steel to Section A of Antidumping Duty Questionnaire," dated October 30, 2013, at 4 (stating: "In researching shipments of subject merchandise from Mangal Steel, Petitioners found that Mangal Steel had a significant number of shipments to a consignee called North American Steel Connection (NASCO)..." and "Based on a general internet search regarding North American Steel Connection, Petitioners found that NASCO was a joint venture partner in another company..."). Once a party discloses its information that was formerly given proprietary treatment publicly, the Department no longer will treat that information as proprietary on the administrative record.

⁵ *See* Preliminary Decision Memorandum.

Methodology

The Department has conducted this investigation in accordance with section 731 of the Act. Export prices (“EPs”) have been calculated in accordance with section 772 of the Act. Constructed export prices (“CEPs”) have been calculated in accordance with section 772(b) of the Act. Normal value (“NV”) has been calculated in accordance with section 773 of the Act. Because the mandatory respondent, Babu Exports (“Babu”), failed to respond to the Department’s questionnaire, we have preliminarily determined to apply adverse facts available to this respondent, in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308. The critical circumstances allegation has been analyzed in accordance with section 733(e)(1) of the Act and 19 CFR 351.206.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum dated concurrently with and hereby adopted by 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 (“IA ACCESS”). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Affirmative Determination of Critical Circumstances, in Part

On January 10, 2014, Petitioners filed a timely critical circumstances allegation, pursuant to section 773(e)(1) of the Act and 19 CFR 351.206(c)(1), alleging that critical circumstances

exist with respect to imports of the merchandise under consideration.⁶ In accordance with 19 CFR 351.206(c)(2)(i), when a critical circumstances allegation is submitted more than 20 days before the scheduled date of the preliminary determination, the Department must issue a preliminary finding whether there is a reasonable basis to believe or suspect that critical circumstances exist no later than the date of the preliminary determination. We have conducted an analysis of critical circumstances in accordance with section 733(e) of the Act and 19 CFR 351.206, and have preliminarily determined that for Mangal and All Others: (1) Importers likely did not know that the exporter was selling the merchandise under consideration at LTFV and that there was likely to be material injury in accordance with section 733(e)(1)(A)(ii) of the Act; and (2) imports of the subject merchandise did not increase in massive quantities over a relatively short period in accordance with section 733(e)(1)(B) of the Act. For Babu, we have applied facts available with an adverse inference, and preliminarily find that: (1) Importers knew or should have known that the exporter was selling the merchandise under consideration at LTFV and that there was likely to be material injury in accordance with section 733(e)(1)(A)(ii) of the Act; and (2) imports of the subject merchandise have been massive over a relatively short period in accordance with section 733(e)(1)(B) of the Act. For a full description of the methodology and results of our analysis, please *see* the Preliminary Decision Memorandum and Critical Circumstances Memorandum.⁷

⁶ *See* letter from Petitioners, “Antidumping Investigation of Steel Threaded Rod from India: Petitioners’ Allegation of Critical Circumstances,” dated January 10, 2014.

⁷ *See* Memorandum to Melissa G. Skinner, “Antidumping Duty Investigation of Steel Threaded Rod from India: Critical Circumstances Data and Calculations for the Preliminary Determination,” dated concurrently with this notice (“Critical Circumstances Memorandum”).

Preliminary Determination

We preliminary determine the weighted-average dumping margins are as follows:

Producer or Exporter	Weighted-Average Dumping Margin (percent)
Mangal Steel Enterprises Limited	8.63
Babu Exports	119.87
All Others	8.63

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Mangal is the only respondent in this investigation for which the Department calculated a company-specific rate. Therefore, for purposes of determining the “all others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the weighted-average dumping margin calculated for Mangal, as referenced above.⁸

Disclosure and Public Comment

The Department intends to disclose to parties the calculations performed in connection with this preliminary determination within five days of the date of publication of this notice.⁹

⁸ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Sheet and Strip in Coils From Italy*, 64 FR 30750, 30755 (June 8, 1999); and *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Coated Free Sheet Paper from Indonesia*, 72 FR 30753, 30757 (June 4, 2007), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Coated Free Sheet Paper from Indonesia*, 72 FR 60636 (October 25, 2007).

⁹ See 19 CFR 351.224(b).

Interested parties are invited to comment on the preliminary determination. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance via IA ACCESS no later than seven days after the date on which the final verification report is issued in this proceeding. Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.¹⁰ A list of authorities used, a table of contents, and an executive summary of issues should accompany any briefs submitted to the Department.¹¹ Executive summaries should be limited to five pages total, including footnotes. As noted above, interested parties who wish to comment on the preliminary determination must file briefs electronically using IA ACCESS.¹² 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 Time on the date the document is due.

In accordance with section 774 of the Act, the Department will hold a hearing, if timely requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs, provided that such a hearing is requested by an interested party.¹³ 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 Enforcement and Compliance, U.S. Department of Commerce, filed electronically using IA ACCESS, as noted above. An electronically filed request must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Time within 30 days after the date of publication of this

¹⁰ See 19 CFR 351.309(c), 19 CFR 351.309(d)(1), and 19 CFR 351.309(d)(2).

¹¹ See 19 CFR 351.309(c)(2).

¹² See 19 CFR 351.303 (for general filing requirements).

¹³ See *also* 19 CFR 351.310.

notice.¹⁴ Requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed.¹⁵ If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.¹⁶ Parties should confirm by telephone the date, time, and location of the hearing.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of steel threaded rod from India, as described in the "Scope of the Investigation" section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. In addition, because we have preliminarily found critical circumstances exist with regard to exports by Babu, we will instruct CBP to suspend liquidation of Babu's covered entries entered, or withdrawn from warehouse, for consumption up to 90 days prior to the date of publication of this notice in the *Federal Register*.¹⁷

Furthermore, consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit¹⁸ equal to the amount by which the NV exceeds the EP or CEP, less the amount of the countervailing duty determined to constitute an export subsidy.¹⁹ In this case, with regard to Mangal and all other non-individually reviewed companies, the preliminarily calculated

¹⁴ See 19 CFR 351.310(c).

¹⁵ See *id.*

¹⁶ See 19 CFR 351.310.

¹⁷ See section 733(e)(2) of the Act.

¹⁸ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

¹⁹ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 From India*, 69 FR 67306, 67307 (November 17, 2004).

countervailing duty is comprised entirely of export subsidies, and, thus, we have offset the margin for Mangal and “all others” by their countervailing duty rate (*i.e.*, 8.13 percent). For Babu, we offset the AFA antidumping margin (*i.e.*, 119.87 percent) by the countervailing duty rate attributable to export subsidies (*i.e.*, 14.69 percent).^{20 21}

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit²² equal to the preliminary weighted-average amount by which NV exceeds U.S. price, less the amount of the countervailing duty determined to constitute an export subsidy, as indicated above, as follows: (1) The rates will be 0.50 percent for Mangal and 105.18 percent for Babu; (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 0.50 percent. These suspension of liquidation instructions will remain in effect until further notice.

U.S. International Trade Commission (“ITC”) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our preliminary affirmative determination of sales at LTFV. If our final determination in this proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC 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 steel threaded rod from India before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

²⁰ See *Steel Threaded Rod From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 76815 (December 19, 2013); Memorandum entitled, “Decision Memorandum for the Preliminary Determination in the Countervailing Duty Investigation on Steel Threaded Rod from India,” dated December 11, 2013, at 20.

²¹ See Memorandum entitled “Preliminary Determination Analysis Memorandum for Mangal Steel Enterprises Limited,” dated concurrently with this notice.

²² See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: February 10, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Included in the scope of this investigation are steel threaded rod, bar, or studs, 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:

- 1.80 percent of manganese, or
- 1.50 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
- 0.012 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of this investigation are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (“ASTM”) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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