



This document is scheduled to be published in the Federal Register on 04/24/2014 and available online at <http://federalregister.gov/a/2014-09368>, and on FDsys.gov

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-844]

Steel Concrete Reinforcing Bar from Mexico: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, and Postponement of Final Determination

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

SUMMARY: The Department of Commerce (the Department) preliminarily determines that steel concrete reinforcing bar (rebar) from Mexico 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 July 1, 2012, through June 30, 2013.

The estimated weighted-average dumping margins of sales at LTFV are listed in the “Preliminary Determination” section of this notice. The Department also preliminarily determines that critical circumstances exist for certain imports of rebar from Mexico. Finally, in response to a request from an exporter accounting for a significant proportion of export of the subject merchandise, we are postponing the final determination. The final determination will be issued 135 days after the publication of this preliminary determination in the *Federal Register*.

We invite interested parties to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Stephanie Moore (Deacero), or Joy Zhang (Grupo Simec), 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) 482-3692 or (202) 482-1168.

SUPPLEMENTARY INFORMATION:

Scope of the Investigation

The merchandise subject to this investigation is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0015, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth rebar). HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.

Postponement of Final Determination

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by Petitioner. Under 19 CFR 351.210(e)(2), the Department requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to not more than six months.

On April 15, 2014, Deacero S.A.P.I. de C.V. (“Deacero”)¹, the only mandatory respondent participating in this proceeding requested that the Department postpone the final

¹ On December 16, 2013, Deacero S.A. de C.V. changed its legal name to Deacero S.A.P.I. de C.V. (Deacero). *See* letter from Deacero dated December 23, 2013.

determination.² Deacero also agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a six-month period.³ 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 reason for denial exists, we are granting the requests and are postponing the final determination until no later than 135 days after the publication of this preliminary determination notice in the *Federal Register*. The Department is further extending the application of the provisional measures from a four-month period to a period not longer than six months.

Preliminary Affirmative Determination of Critical Circumstances

On December 17, 2013, Petitioners⁴ filed a timely critical circumstances allegation pursuant to section 733(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.⁵ We preliminarily determine that the criteria under section 733(a)(3)(A)(ii) and (B) of the Act are met and, thus, that critical circumstances exist with regard to certain imports of rebar from Mexico. For a full description of the methodology and results of our analysis, *see* the Preliminary Critical Circumstances Memorandum.⁶

² *See* letter from Deacero titled, “Rebar from Mexico; request to postpone final determination,” dated April 15, 2014.

³ *Id.*

⁴ The petition was filed by the Rebar Trade Action Coalition (RTAC) and its individual members (collectively, Petitioners).

⁵ *See* Petitioners’ submission, “Steel Concrete Reinforcing Bar from Mexico: Critical Circumstances Allegation,” dated December 17, 2013.

⁶ *See* Memorandum from James Doyle, Director, Office V, Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Antidumping Duty Investigation: Steel Concrete Reinforcing Bar from Mexico; Preliminary Affirmative Determination of Critical Circumstances, 2012-2013,” dated concurrently with this determination and hereby adopted by this notice (Preliminary Critical Circumstances Memorandum).

Methodology

The Department conducted this investigation in accordance with section 731 of the Act. Export prices have been calculated in accordance with section 772 of the Act. Constructed export prices have been calculated in accordance with section 772(b) of the Act. Normal value has been calculated in accordance with section 773 of the Act. Because the mandatory respondent Grupo Acerero S.A. de C.V. (Acerero) failed to respond to the Department's questionnaire, we preliminarily determine 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.⁷ 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 it 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.

⁷ See Memorandum from James Doyle, Director, Office V, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, regarding "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Steel Concrete Reinforcing Bar from Mexico" dated concurrently with this notice (Preliminary Decision Memorandum).

Preliminary Determination

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

Producer or Exporter	Estimated Weighted-Average Dumping Margin (percent)
Deacero S.A.P.I. de C.V.	20.59
Grupo Acerero S.A. de C.V.	66.70
Grupo Simec	10.66
All Others	20.59

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 or producers individually examined, excluding all zero or *de minimis* rates, and all rates determined entirely under section 776 of the Act. The Department’s regulations further state that in calculating the all-others rate under section 735(c)(5) of the Act, the Department will exclude estimated weighted-average dumping margin rates calculated for voluntary respondents.⁸ In this investigation, Grupo Simec is a voluntary respondent and Deacero is the only mandatory respondent for which we calculated an estimated weighted-average dumping margin that is not zero, *de minimis* or based entirely on facts otherwise available. Therefore, for purposes of determining the “all others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the estimated weighted-average dumping margin calculated for Deacero, as referenced above.

⁸ See 19 CFR 351.204(d)(3). See also *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27310 (May 19, 1997).

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

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 investigation. 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 within 30 days after the date of publication of this notice to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using IA

⁹ See 19 CFR 351.224(b).

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.

ACCESS, as noted above.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 are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of rebar from Mexico as described in the scope of the investigation section that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, and to require a cash deposit for such entries as described below. Moreover, with the exception of Grupo Simec, we preliminarily find that critical circumstances exist with respect to all exporters. Thus, with the exception of Grupo Simec, in accordance with section 733(e)(2)(A) of the Act, we are directing CBP to apply the suspension of liquidation and cash deposit requirements to any unliquidated entries of rebar from Mexico that are entered, or withdrawn from warehouse, for consumption on or after 90 days prior to the date of publication of this notice in the *Federal Register*.

We will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price, as indicated in the chart above.¹⁷ The suspension of liquidation instructions will remain in effect until further notice.

¹⁴ See 19 CFR 351.310(c).

¹⁵ See *id.*

¹⁶ See 19 CFR 351.310.

¹⁷ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures*

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, then 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 concrete reinforcing bar from Mexico before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

Notification to Interested Parties

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: April 18, 2014.

*Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.*

Appendix

List of Issues Discussed in the Preliminary Decision Memorandum

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[BILLING CODE: 3510-DS-P]

[FR Doc. 2014-09368 Filed 04/23/2014 at 8:45 am; Publication Date: 04/24/2014]