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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-856]

Steel Threaded Rod from India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances

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

SUMMARY: The Department of Commerce (“Department”) determines that countervailable subsidies are being provided to producers and exporters of steel threaded rod from India. For information on the estimated subsidy rates, see the “Suspension of Liquidation” section of this notice.

DATES: EFFECTIVE DATE: INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.

FOR FURTHER INFORMATION CONTACT: Erin Begnal or Andrew Medley, 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: 202-482-1442 and 202-482-4987, respectively.

SUPPLEMENTARY INFORMATION:

Background

This investigation, which covers 13 programs, was initiated on July 24, 2013.¹ The petitioners in this investigation are All America Threaded Products Inc., Bay Standard Manufacturing, Inc., and Vulcan Threaded Products Inc. In addition to the Government of India

¹ See *Steel Threaded Rod From India: Initiation of Countervailing Duty Investigation*, 78 FR 44532 (July 24, 2013) and accompanying Initiation Checklist.

(“GOI”), the respondents in this investigation are Mangal Steel Enterprises Ltd. (“Mangal Steel”) and Babu Exports (“Babu”).

Period of Investigation

The period for which we are measuring subsidies, or period of investigation (“POI”), is January 1, 2012, through December 31, 2012.

Case History

The events that occurred since the Department published the *Preliminary Determination* on December 19, 2013,² are discussed in the Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Steel Threaded Rod from India” (“Issues and Decision Memorandum”).³

Scope of the Investigation

The merchandise covered by this investigation is steel threaded rod. For a complete description of the scope of the investigation, *see* Appendix 1 to this notice.

Critical Circumstances

In our *Preliminary Critical Circumstances Determination*, we determined that critical circumstances do not exist for Mangal Steel, but do exist with respect to imports from Babu and “all other” exporters of steel threaded rod from India.⁴ No party submitted comments with respect to, and we made no changes to, our preliminary affirmative critical circumstances

² *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) (“*Preliminary Determination*”).

³ Public versions of all business proprietary documents and all public documents are on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“IA ACCESS”). Access to IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Department’s Central Records Unit, room 7046 of the main Department of Commerce building.

⁴ *See Steel Threaded Rod from India: Preliminary Affirmative Determination of Critical Circumstances for the Countervailing Duty Investigation*, 79 FR 9162 (February 18, 2014) (“*Preliminary Critical Circumstances Determination*”).

determination. Therefore, in accordance with section 705(a)(2) of the Tariff Act of 1930, as amended (“the Act”), we continue to find that critical circumstances exist with respect to imports from Babu and “all other” exporters of steel threaded rod from India.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of subsidy programs and the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as Appendix 2. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Use of Adverse Facts Available for Babu

For purposes of this Final Determination, we continue to apply adverse facts available (“AFA”) to Babu in accordance with sections 776(a) and (b) of the Act. A full discussion of our decision to rely on AFA is presented in the Issues and Decision Memorandum under the section “Use of Facts Otherwise Available and Adverse Inferences.”

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated an individual rate for each respondent. We determine the total net countervailable subsidy rates to be:

Company	Subsidy Rate (percent)
Mangal Steel Enterprises Ltd. (“Mangal”)	8.61
Babu Exports (“Babu”)	39.46
All Others	8.61

Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will determine an “all others” rate equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates based entirely on acts available under section 776 of the Act.

For this final determination, because we are applying total AFA to Babu, the only calculated total net countervailable subsidy rate is the rate we determined for Mangal Steel. Therefore, for the all others rate, we are using Mangal Steel’s rate.

As a result of our *Preliminary Determination* and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of subject merchandise from India which were entered or withdrawn from warehouse, for consumption on or after December 19, 2013, the date of the publication of the *Preliminary Determination* in the *Federal Register*. Subsequently, as a result of our *Preliminary Critical Circumstances Determination*, we instructed CBP to suspend liquidation of all entries of subject merchandise from Babu and “all other” exporters of steel threaded rod from India which were entered or withdrawn from warehouse, for consumption on or after September 20, 2013, which is 90 days prior to the date of publication of the *Preliminary Determination* in the *Federal Register*.

In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for countervailing duty (“CVD”) purposes for subject

merchandise entered, or withdrawn from warehouse, on or after April 19, 2014, but to continue the suspension of liquidation of all entries from September 20, 2013 or December 19, 2013, as applicable, through April 18, 2014.

If the International Trade Commission (“ITC”) issues a final affirmative injury determination, we will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act and will require a cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (“APO”), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or

conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: July 3, 2014.

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

Appendix 1

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 2

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- Comment 6: Minor Corrections to Calculations for Export Promotion of Capital Goods Scheme

IX. RECOMMENDATION

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