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DEPARTMENT OF COMMERCE

International Trade Administration

(A-201-847)

Heavy Walled Rectangular Carbon Steel Pipes and Tubes from Mexico: Amended Preliminary Determination of Sales at Less Than Fair Value

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

SUMMARY: As a result of the correction of a significant ministerial error, the Department of Commerce (the Department) continues to preliminarily determine that heavy walled rectangular carbon steel pipes and tubes (HWR pipes and tubes) from Mexico are being 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 is July 1, 2014, through June 30, 2015.

Interested parties are invited to comment on this amended preliminary determination.

EFFECTIVE DATE: March 1, 2016.

FOR FURTHER INFORMATION CONTACT: Blaine Wiltse or David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6345 or (202) 482-3693, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 29, 2016, Productos Laminados de Monterrey S.A. de C.V. (Prolamsa), alleged that the Department made a significant ministerial error in the Preliminary Determination.<sup>1</sup>

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<sup>1</sup> See Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes From Mexico: Affirmative Preliminary

## Scope of the Investigation

The products covered by this investigation are certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications.

Included products are those 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 below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The subject merchandise is currently provided for in item 7306.61.1000 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under HTSUS 7306.61.3000. While the HTSUS subheadings and ASTM specification are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

### Significant Ministerial Error

A ministerial error is defined in 19 CFR 351.224(f) as “an error in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Secretary considers ministerial.” Further, 19 CFR 351.224(e) provides that the Department “will analyze any comments received and, if appropriate, correct any significant ministerial error by amending the preliminary determination.” A significant ministerial error is defined as a ministerial error, the correction of which, singly or in combination with other errors, would result in: (1) a change of at least five absolute percentage points in, but not less than 25 percent of, the weighted-average dumping margin calculated in the original (erroneous) preliminary determination; or (2) a difference between a weighted-average dumping margin of zero or de minimis and a weighted-average dumping margin of greater than de minimis or vice versa.<sup>2</sup>

### Ministerial Error Allegation

Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) argues that the Department in its margin calculations incorrectly referenced the variable name for the production quantity reported in Prolamsa’s cost of production database as “QUANTITY,” rather than “PRODQTY.”<sup>3</sup>

As a result of this error, Prolamsa points out that the Department failed to weight average

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<sup>2</sup> See 19 CFR 351.224(g)(1) and (2).

<sup>3</sup> See letter from Prolamsa entitled, “Heavy Walled Rectangular Carbon Steel Pipes and Tubes from Mexico: Ministerial Error Comments,” dated February 29, 2016, at page 3.

Prolamsa’s reported costs by production quantity, but instead calculated a simple average of Prolamsa’s costs.

We agree with Prolamsa. Moreover, pursuant to 19 CFR 351.224(g)(2), this error is significant because the correction of the error results in a change of at least five absolute percentage points in, but not less than 25 percent of, the weighted-average dumping margin originally calculated for Prolamsa. Therefore, we are correcting the error alleged by Prolamsa and we are amending our preliminary determination accordingly.

The collection of cash deposits and suspension of liquidation will be revised accordingly in accordance with sections 733(d) and (f) of the Act and 19 CFR 351.224. Because the correction of the error for Prolamsa results in a reduced cash deposit rate, the revised rates calculated for Prolamsa and the companies covered by the “all others” rate will be effective retroactively to March 1, 2016, the date of publication of the Preliminary Determination.

Amended Preliminary Determination

We are amending the preliminary determination of sales at LTFV for HWR pipes and tubes from Mexico to reflect the correction of a ministerial error made in the margin calculation of that determination for Prolamsa. As a result of the correction of the ministerial error, the revised weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Dumping Margin (percent)
Productos Laminados de Monterrey S.A. de C.V.	5.17

All Others	4.92 <sup>4</sup>
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#### International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we are notifying the International Trade Commission (ITC) of our amended preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.<sup>5</sup>

#### Notification to Interested Parties

The Department intends to disclose calculations performed in connection with this amended preliminary determination within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

This determination is issued and published in accordance with sections 733(f) and 777(i) of the Act and 19 CFR 351.224(e).

Dated: March 9, 2016.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

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<sup>4</sup> In this investigation, we based our calculation of the all-others rate on the weighted-average of the margins calculated for Maquilacero S.A. de C.V. and Prolamsa using publicly-ranged data. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business-proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for these respondents. For further discussion of this calculation, see the memorandum entitled “Less-Than-Fair-Value Investigation of Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Calculation of the All-Others Rate for the Amended Preliminary Determination,” dated concurrently with this notice.

<sup>5</sup> See 735(b)(2) of the Act.

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