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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-870]

Certain Oil Country Tubular Goods from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2014-2015

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

SUMMARY: On October 14, 2016, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on certain oil country tubular goods (OCTG) from the Republic of Korea (Korea). The period of review (POR) is July 18, 2014, through August 31, 2015. Based on our analysis of the comments received, we have made certain changes to the margin calculations, and, therefore, the final results differ from the preliminary results. The final weighted-average dumping margins are listed below in the section “Final Results of Review.” Further, we continue to find that certain companies had no reviewable shipments of subject merchandise during the POR.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Deborah Scott or Victoria Cho, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2657 or (202) 482-5075, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 14, 2016, the Department published the *Preliminary Results* of this administrative review.¹ For the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.² These final results cover 50 companies.³ The Department conducted this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG coupling stock. For a complete description of the scope of the order, see the Issues and Decision Memorandum.

Analysis of Comments Received

¹ See *Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 71074 (October 14, 2016) (*Preliminary Results*), and accompanying Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Certain Oil Country Tubular Goods from the Republic of Korea,” dated October 5, 2016 (Preliminary Decision Memorandum).

² See Memorandum from James Maeder, Senior Director, Office I, Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary, for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Results of the 2014-2015 Administrative Review of the Antidumping Duty Order on Certain Oil Country Tubular Goods from the Republic of Korea” (Issues and Decision Memorandum), dated concurrently with this notice and incorporated herein by reference.

³ The 50 companies consist of two mandatory respondents, six companies for which we made a final determination of no shipments, and 42 companies not individually examined.

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted with this notice. A list of the issues which parties raised, and to which we responded in the Issues and Decision Memorandum, can be found in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. 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.

Changes Since the Preliminary Results

Based on our analysis of the comments received, we made certain changes to the *Preliminary Results*. For SeAH Steel Corporation (SeAH), the Department: 1) reallocated SeAH's hot-rolled coil (HRC) costs based on the common HRC grade; 2) adjusted SeAH's reported HRC costs to reflect the particular market situation; 3) adjusted SeAH's reported cost of manufacturing to reflect the arm's-length prices for affiliated services; 4) included the net losses associated with damaged pipes in the reported further manufacturing costs; and 5) applied Pusan Pipe America Inc. (PPA)'s general and administrative (G&A) expense ratio to the total cost of further manufactured products, that is, the further manufacturing cost plus the cost of production of the imported OCTG, because the denominator of the G&A ratio included these costs. Also, the Department allocated PPA's G&A expense to the cost of all non-further manufactured subject products resold by PPA.

For NEXTEEL Co., Ltd. (NEXTEEL), the Department: 1) adjusted NEXTEEL's reported HRC costs to reflect the particular market situation; 2) updated the constructed value information used for NEXTEEL to reflect SeAH's information after adjustments for the final results; 3) revised the payment dates for certain sales subject to a lawsuit, and recalculated credit expenses based on those dates; 4) redefined the universe of sales to base the margin calculation on sales which entered the United States during the POR; 5) corrected a clerical error (*i.e.*, we revised the margin program to use the correct quantity variable); and 6) revised the calculation of certain U.S. freight and storage expenses and the universe of sales to which we applied these expenses.

For a full discussion of these changes, *see* the Issues and Decision Memorandum.

Final Determination of No Shipments

In the *Preliminary Results*, the Department preliminarily determined that Hyundai Glovis, Hyundai Mobis, Hyundai RB, Kolon Global, POSCO Plantec, and Samsung C&T Corporation had no shipments during the POR.⁴ Following publication of the *Preliminary Results*, we received no comments from interested parties regarding these companies. As a result, and because the record contains no evidence to the contrary, we continue to find that Hyundai Glovis, Hyundai Mobis, Hyundai RB, Kolon Global, POSCO Plantec, and Samsung C&T Corporation made no shipments during the POR. Accordingly, consistent with the Department's practice, we will instruct U.S. Customs and Border Protection (CBP) to liquidate any existing entries of merchandise produced by these six companies, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.⁵

⁴ *See Preliminary Results*, 81 FR at 71074.

⁵ *See, e.g., Magnesium Metal From the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal From the Russian*

Rate for Non-Examined Companies

The statute and the Department's regulations do not address the establishment of a rate to be applied to companies not selected for examination when the Department limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "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 {on the basis of facts available}."

In this review, we calculated weighted-average dumping margins for SeAH and NEXTEEL that are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, the Department assigned to the companies not individually examined (*see* Appendix II for a full list of these companies) a margin of 13.84 percent, which is the simple average⁶ of SeAH's and NEXTEEL's calculated weighted-average dumping margins.

Final Results of Review

The Department determines that the following weighted-average dumping margins exist for the period July 18, 2014 through August 31, 2015:

Federation: Final Results of Antidumping Duty Administrative Review, 75 FR 56989 (September 17, 2010).

⁶ We calculated the all-others rate using a simple average of the dumping margins calculated for the mandatory respondents because complete publicly ranged sales data were not available.

Exporter or Producer	Weighted-Average Dumping Margins (percent)
NEXTEEL Co., Ltd.	24.92
SeAH Steel Corporation	2.76
Non-examined companies ⁷	13.84

Disclosure

The Department intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this administrative review in the *Federal Register*.

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).⁸ Where the Department calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, the Department will direct CBP to assess

⁷ See Appendix II for a full list of these companies.

⁸ See 19 CFR 351.212(b)(1).

importer- (or customer-) specific assessment rates based on the resulting per-unit rates.⁹ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), the Department will instruct CBP to collect the appropriate duties at the time of liquidation.¹⁰ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, the Department will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹¹

For the companies which were not selected for individual review, we will assign an assessment rate based on the methodology described in the “Rates for Non-Examined Companies” section, above.

Consistent with the Department’s assessment practice, for entries of subject merchandise during the POR produced by SeAH, NEXTEEL, or the non-examined companies for which the producer did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹²

As noted in the “Final Determination of No Shipments” section, above, the Department will instruct CBP to liquidate any existing entries of merchandise produced by Hyundai Glovis, Hyundai Mobis, Hyundai RB, Kolon Global, POSCO Plantec, and Samsung C&T Corporation, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.

Cash Deposit Requirements

⁹ *Id.*

¹⁰ *Id.*

¹¹ See 19 CFR 351.106(c)(2).

¹² For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

The following cash deposit requirements will be effective for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rates for the companies listed in these final results will be equal to the weighted-average dumping margins established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,¹³ the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final 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 POR. 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.

Notification to Interested Parties Regarding Administrative Protective Order

¹³ See *Certain Oil Country Tubular Goods from the Republic of Korea: Notice of Court Decision Not in Harmony With Final Determination*, 81 FR 59603 (August 30, 2016).

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: April 11, 2017.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. List of Issues

A. General Issues

- Comment 1: Calculation of Constructed Value Profit
- Comment 2: Differential Pricing
- Comment 3: Particular Market Situation
- Comment 4: Memoranda Placed on the Record by the Department

B. SeAH-Specific Issues

- Comment 5: Whether to Apply Total Adverse Facts Available to SeAH
 - A. Whether SeAH Manipulated Its Margin
 - B. U.S. Sales of Non-Prime Products
 - C. CONNUMs with Negative Costs
 - D. Cost Difference Related to Timing Differences of Production and Not to Physical Characteristics
 - E. Information on Inputs from Affiliated Parties
 - F. SeAH's Inventory Movement Schedules for OCTG
 - G. International Freight Expenses
 - H. Transaction-Specific Reporting of Certain Movement Expenses
 - I. Reporting of Payment Terms for Canadian Sales
 - J. U.S. Warehousing Expenses
 - K. Price Adjustments for Certain U.S. Sales
 - L. Korean Inland Freight
 - M. Warranty Expenses
 - N. Inventory Movement Schedules for By-Products and Scrap
 - O. Costs to Repair Damaged Products
 - P. PPA's Unconsolidated Financial Statements
- Comments 6-16: Whether to Apply Partial Adverse Facts Available to SeAH
 - Comment 6: Date of Sale
 - Comment 7: International Freight
 - Comment 8: Canadian Inland Freight
 - Comment 9: Certain Movement Expenses
 - Comment 10: Packing Expenses
 - Comment 11: Adjustment to SeAH's Costs Related to U.S. Non-Prime Merchandise
 - Comment 12: Disregard SeAH's Revised Database Purporting to Reflect Weighted-Average Costs of HRC
 - Comment 13: SeAH's Cost Variances
 - Comment 14: PPA's General and Administrative (G&A) Expenses Related to Resold U.S. Products

- Comment 15: SeAH's Scrap Offset
- Comment 16: Valuation of SeAH's Non-Prime Products
- Comment 17: Interested Party Standing
- Comment 18: Timeliness of Market-Viability Allegation
- Comment 19: Reporting of Grade Codes
- Comment 20: Freight Revenue Cap
- Comment 21: International Freight for Certain Third-Country Sales
- Comment 22: SeAH's Useable Cost Database
- Comment 23: Use of Average HRC Cost by Grade for SeAH
- Comment 24: Procedural Issue Regarding Service of Case Brief
- Comment 25: Procedural Issue Regarding Sanctions for Improper Conduct

C. NEXTEEL-Specific Issues

- Comment 26: Whether to Apply Total Adverse Facts Available to NEXTEEL
 - A. Lawsuit Between POSCO Daewoo and Atlas
 - B. Expenses Incurred by a Certain Affiliate
 - C. Expenses and Revenues Booked by NEXTEEL and a Certain Affiliate
 - D. Inventory Movement Schedule
 - E. Hot-Rolled Coil Grades Used to Produce OCTG
- Comment 27: NEXTEEL's Unpaid U.S. Sales to Atlas
- Comment 28: Whether the Unpaid Sales Constitute Bad Debt
- Comment 29: Upgradeable HRC
- Comment 30: Transferred Quantities of OCTG in NEXTEEL's COP Data
- Comment 31: Sales Adjustment for Certain Expenses
- Comment 32: Major Input Adjustment for Hot-Rolled Coil
- Comment 33: Cost Adjustment for Downgraded, Non-OCTG Pipe
- Comment 34: Suspended Losses
- Comment 35: Valuation Allowances of Raw Materials and Finished Goods Inventories
- Comment 36: Affiliation
- Comment 37: Universe of U.S. Sales
- Comment 38: U.S. Freight and Storage

- III. Background
- IV. Scope of the Order
- V. Margin Calculations
- VI. Rate for Non-Examined Companies
- VII. Discussion of the Issues
- VIII. Recommendation

Appendix II

List of Companies Not Individually Examined

A.R. Williams Materials
AJU Besteel Co., Ltd.
AK Steel
BDP International
Cantak Corporation
Daewoo International Corporation
Dong-A Steel Co., Ltd.
Dong Yang Steel Pipe
Dongbu Incheon Steel
Dongbu Steel Co., Ltd.
Dongkuk S and C
DSEC
EEW Korea
Erndtebruecker Eisenwerk and Company
GS Global
H K Steel
Hansol Metal
HG Tubulars Canada Ltd.
Husteel Co., Ltd.
Hyundai HYSCO¹⁴
Hyundai HYSCO Co., Ltd.
Hyundai Steel Company
Hyundai Steel Co., Ltd.
ILJIN Steel Corporation
Kukbo Logix
Kukje Steel
Kumkang Industrial Co., Ltd.
McJunkin Red Man Tubular
NEXTEEL Q&T
Nippon Arwwl and Aumikin Vuaan Korea Co., Ltd.
Phocennee
POSCO Processing and Acy Service
Samson
Sedae Entertech
Steel Canada
Steel Flower

¹⁴ On September 21, 2016, the Department published the final results of a changed circumstances review with respect to OCTG from Korea, finding that Hyundai Steel is the successor-in-interest to Hyundai HYSCO for purposes of determining antidumping duty cash deposits and liabilities. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Oil Country Tubular Goods from the Republic of Korea*, 81 FR 64873 (September 21, 2016). Hyundai Steel Company is also known as Hyundai Steel Corporation and Hyundai Steel Co. Ltd.

Steelpia
Sung Jin
TGS Pipe
Toyota Tsusho Corporation
UNI Global Logistics
Yonghyun Base Materials

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