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DEPARTMENT OF COMMERCE

International Trade Administration

A-201-805

Certain Circular Welded Non-Alloy Steel Pipe from Mexico; Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2014-2015

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

SUMMARY: On December 9, 2016, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. The period of review (POR) is November 1, 2014, through October 31, 2015. The review covers eight producers/exporters of the subject merchandise, including the two respondents selected for individual examination: Maquilacero, S.A. de C.V. (Maquilacero) and Regiomontana de Perfiles y Tubos, S.A. de C.V. (Regiopytsa). Based on our analysis of the comments received, we made certain changes to our preliminary findings for Regiopytsa. The final weighted-average dumping margins for the reviewed producers/exporters are listed below in the section entitled "Final Results of Review."

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

FOR FURTHER INFORMATION CONTACT: Mark Flessner or Erin Kearney, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6312 or (202) 482-0167, respectively.

SUPPLEMENTARY INFORMATION:

## Background

On December 9, 2016, the Department published in the *Federal Register* the *Preliminary Results* of this administrative review.<sup>1</sup> In accordance with 19 CFR 351.309(c)(1)(ii), we invited interested parties to comment on the *Preliminary Results*. On December 22, 2016, the Department issued post-preliminary supplemental questionnaires to Maquilacero and Regiopytsa.<sup>2</sup> On January 18 and 19, 2017, Maquilacero and Regiopytsa, respectively, submitted responses to the Department's post-preliminary supplemental questionnaire.<sup>3</sup> On February 21, 2017, the Department received case briefs from the petitioner,<sup>4</sup> Maquilacero, and Regiopytsa.<sup>5</sup> On February 27, 2017, interested parties submitted rebuttal briefs.<sup>6</sup> On February 9 and May 16, 2017, the Department extended the time limit for the final results, until June 7, 2017.<sup>7</sup> The Department conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

## Period of Review

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<sup>1</sup> See *Preliminary Results*.

<sup>2</sup> See Department Letter re: Maquilacero Supplemental Section A, B, C, and D Questions, dated December 22, 2016; see also Department Letter re: Regiopytsa Supplemental Section A, B, C, and D Questions, dated December 22, 2016.

<sup>3</sup> See Maquilacero Letter re: Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico; Maquilacero S.A. de C.V.'s Third Supplemental Sections A-D Questionnaire Response, dated January 18, 2017 see also Regiopytsa Letter re: Circular Welded Non-Alloy Steel Pipe from Mexico: Response to the Department's December 22, 2016 Supplemental Questionnaire, dated January 19, 2017.

<sup>4</sup> The petitioner is Wheatland Tube Company.

<sup>5</sup> See Petitioner Letter re: Circular Welded Non-Alloy Steel Pipe from the Mexico: Case Brief, dated February 21, 2017 (Petitioner Case Brief); see also Maquilacero Letter re: Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico; Maquilacero S.A. de C.V.'s Case Brief, dated February 21, 2017 (Maquilacero Case Brief); see also Regiopytsa Letter re: Circular Welded Non-Alloy Steel Pipe from Mexico: Case Brief, dated February 21, 2017 (Regiopytsa Case Brief).

<sup>6</sup> See petitioner Letter re: Circular Welded Non-Alloy Steel Pipe from the Mexico: Rebuttal Brief, dated February 27, 2017 (Petitioner Rebuttal Brief); see also Maquilacero Letter re: Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico; Maquilacero S.A. de C.V.'s Rebuttal Brief, dated February 27, 2017 (Maquilacero Rebuttal Brief); see also Regiopytsa Letter re: Circular Welded Non-Alloy Steel Pipe from Mexico: Rebuttal Brief, dated February 27, 2017 (Regiopytsa Rebuttal Brief).

<sup>7</sup> See Memorandum, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review," dated February 9, 2017; see also Memorandum, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review," dated May 16, 2017.

The POR is November 1, 2014, through October 31, 2015.

### Scope of the Order

The products covered by the order are circular welded non-alloy steel pipes and tubes. The merchandise covered by the order and subject to this review is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, and 7306.30.5090. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

A full description of the scope of the order is contained in the Issues and Decisions Memorandum,<sup>8</sup> which is hereby adopted by this notice and incorporated herein by reference. The Issues and Decisions 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 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 Decisions Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn>. The signed Issues and Decisions Memorandum and electronic versions of the Issues and Decisions Memorandum are identical in content.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded, is attached to this notice as an appendix.

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<sup>8</sup> See Memorandum, "Issues and Decisions Memorandum for the Final Results of the Antidumping Duty Administrative Review: Certain Circular Welded Non-Alloy Steel Pipe from Mexico; 2014-2015," dated concurrently with this notice (Issues and Decisions Memorandum).

## Changes Since the Preliminary Results

Based on our analysis of the comments received, we made certain changes to Regiopytsa's margin calculation. Additionally, we made certain changes to the assessment rates for both mandatory respondents. These changes are fully discussed in the Issues and Decision Memorandum.

## Final Results of Review

As a result of this review, we determine the following weighted-average dumping margins exist for the POR:

<b>Exporter or Producer</b>	<b>Weighted-Average Dumping Margins (percent)</b>
Maquilacero, S.A. de C.V.	7.32
Regiomontana de Perfiles y Tubos, S.A. de C.V./PYTCO, S.A. de C.V. <sup>9</sup>	2.43
Conduit, S.A. de C.V.	3.53
Productos Laminados de Monterrey, S.A. de C.V.	3.53
Ternium Mexico, S.A. de C.V.	3.53

Consistent with the *Preliminary Results*, we calculated a weighted-average margin for the companies not selected for individual examination (*i.e.*, Conduit, S.A. de C.V. (Conduit); Productos Laminados de Monterrey, S.A. de C.V. (Prolamsa); and Ternium Mexico, S.A. de C.V. (Ternium)) using the publicly available, ranged total U.S. sales values of the selected respondents, which is 3.53 percent.<sup>10</sup>

## 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

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<sup>9</sup> We continue for these final results to treat Regiomontana de Perfiles y Tubos, S.A. de C.V., and PYTCO, S.A. de C.V., as a single entity. See the Issues and Decisions Memorandum.

<sup>10</sup> For Maquilacero, we used the publicly ranged sales value of \$3,500,000; see Maquilacero Section A Response (Public Version) at Exhibit A-1. For Regiopytsa, we used the publicly ranged sales value of \$12,100,259; see Maquilacero Section A Response (Public Version) at Exhibit A-1.

accordance with 19 CFR 351.224(b).

### Final Determination of No Shipments

Lamina y Placa and Mueller reported that they made no sales of subject merchandise during the POR.<sup>11</sup> On November 28, 2016, we issued a no-shipment inquiry to U.S. Customs and Border Protection (CBP) to confirm that there were no entries of subject merchandise by either Lamina y Placa or Mueller during the POR.<sup>12</sup> We received no information from CBP that contradicted Lamina y Placa and Mueller's claims of no shipments, and we received no comments from interested parties with respect to the Department's preliminary determination of no shipments for Lamina y Placa and Mueller. Therefore, based on the claims of no shipments by Lamina y Placa and Mueller, and because the record contains no information to the contrary, we continue to determine for these final results that Lamina y Placa and Mueller had no shipments of subject merchandise and, therefore, no reviewable transactions during the POR. As noted in the "Assessment Rates" section, below, the Department intends to issue appropriate instructions to CBP for Lamina y Placa and Mueller.

### Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act, and 19 CFR 351.212(b), the Department has determined, 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 41 days after the date of publication of these final results of review.

The Department will instruct CBP to apply an *ad valorem* assessment rate of 7.32 percent

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<sup>11</sup> See Lamina y Placa Letter, re: Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales, dated January 19, 2016. See also Mueller Letter, re: Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Certification of No Shipments, dated February 9, 2016.

<sup>12</sup> See *Preliminary Results*.

to all entries of subject merchandise during the POR which were produced and/or exported by Maquilacero. The Department will instruct CBP to apply an *ad valorem* assessment rate of 2.43 percent to all entries of subject merchandise during the POR which were produced and/or exported by Regiopytsa. However, for the reasons discussed in the accompanying Issues and Decisions Memorandum, the Department will adjust the assessment rate for entries on certain entries of subject merchandise produced and/or exported by Maquilacero and Regiopytsa to account for the total amount of duties that would have been collected on the two companies' full universe of U.S. sales. The Department will instruct CBP to apply an *ad valorem* assessment rate of 3.53 percent to all entries of subject merchandise during the POR which were produced and/or exported by Conduit, Prolamsa, or Ternium.

Additionally, because the Department determined that Lamina y Placa and Mueller had no shipments of the subject merchandise, any suspended entries that entered under those companies' case numbers (*i.e.*, at those companies' rates) will be liquidated at the all-others rate effective during the period of review consistent with the Department's practice.<sup>13</sup>

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2) of the Act: (1) The cash deposit rates for Conduit, Maquilacero, Prolamsa, Regiopytsa, and Ternium will be the rates established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the

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<sup>13</sup> For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the producer is, the cash deposit rate will be the rate established for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 32.62 percent, the all-others rate established in the investigation.<sup>14</sup> 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 review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

#### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction 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/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

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<sup>14</sup> See *Final Determination of Sales at Less Than Fair Value: Circular Welded Non-Alloy Steel Pipe from Mexico*, 57 FR 42953 (September 17, 1992).

777(i)(1) of the Act and 19 CFR 351.213(h).

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: June 6, 2017

Appendix -- List of Topics Discussed in the Issues and Decisions Memorandum

I. Summary

II. Background

III. Scope of the Order

IV. Discussion of the Issues

Comment 1: Calculation of Billing Adjustments

Comment 2: Programming Error – Month Matching

Comment 3: Theoretical *versus* Actual Weight

Comment 4: Accounting For, and Properly Assessing, All Sales of Subject Merchandise

Comment 5: Alleged Changes in Model Match Characteristics

Comment 6: Anomalies in Reporting of Wall Thickness and Pipe Size

Comment 7: Continuous Entry Bonds

V. Recommendation

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