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DEPARTMENT OF COMMERCE

International Trade Administration

A-201-830

Initiation and Preliminary Results of Changed Circumstances Review: Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Mexico

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

SUMMARY: The Department of Commerce (Department) is simultaneously initiating and issuing the preliminary results of a changed circumstances review (CCR) of the antidumping duty order on carbon and certain alloy steel wire rod (wire rod) from Mexico to determine whether ArcelorMittal Mexico, S.A. de C.V. (AMM) is the successor-in-interest to ArcelorMittal Las Truchas, S.A. de C.V. (AMLT). Based on the information on the record, we preliminarily determine that AMM is the successor-in-interest to AMLT. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Keith Haynes, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5139.

SUPPLEMENTARY INFORMATION:

Background

On October 29, 2002, the Department published in the *Federal Register* the antidumping duty order on wire rod from Mexico.¹ On May 19, 2016, the Department published its final results of the 2013-2014 administrative review of the *Order*, in which it assigned AMLT a 2.59

¹ See *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002) (*Order*).

percent dumping margin.² On August 15, 2017, AMM, a foreign producer of the subject merchandise, requested that the Department initiate and conduct a changed circumstance review to determine that AMM is the successor-in-interest to AMLT for the purposes of the *Order*.³ On September 12, 2017, AMM filed a letter stating it conferred with counsel for interested parties to this proceeding, specifically, counsel for Nucor Corporation, counsel for Gerdau Ameristeel USA, Charter Steel, and Keystone Steel, and counsel for Deacero S.A.P.I. de C.V. and Deacero USA (a group which included domestic interested parties/petitioners to the *Order*), at which time they stated they would not oppose the August 15, 2017, request.⁴ AMM further requested that the Department initiate and conduct an expedited changed circumstances review.⁵

Scope of the Order

The merchandise covered by the *Order* is carbon and certain alloy steel wire rod. The product is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6085 of the HTSUS. Although the HTSUS numbers

² See *Carbon and Certain Alloy Steel Wire Rod From Mexico: Final Results of Antidumping Duty Administrative Review*, 81 FR 31592 (May 19, 2016).

³ See letter from AMM, “Carbon and Certain Alloy Steel Wire Rod from Mexico: Request for Changed Circumstances Review,” dated August 15, 2017 (CCR Request).

⁴ See letter from AMM, “Carbon and Certain Alloy Steel Wire Rod from Mexico: Supplement to Request for Changed Circumstances Review,” dated September 12, 2017 (CCR Supplement).

⁵ *Id.*

are provided for convenience and customs purposes, the written product description remains dispositive.⁶

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and the Department's regulations (19 CFR 351.216 and 351.221(c)(3)), the Department will conduct a changed circumstances review upon receipt of information concerning, or a request from an interested party for a review of, an order which shows changed circumstances sufficient to warrant a review of the order. Generally, in the past, the Department has used CCRs to address the applicability of cash deposit rates after there have been changes in the name or structure of a respondent, such as a merger or spinoff (*i.e.*, successor-in-interest, or successorship determinations).⁷

Specifically, AMM states that as of May 2, 2017, AMLT, which received its own cash deposit rate as a mandatory respondent in the most recently completed administrative review of the *Order*, entered into a purchase and sale agreement (Agreement) with AMM, under which nearly all AMLT's assets and commercial relationships were sold to AMM.⁸ Thus, consistent with Department practice, we find the information submitted by AMM demonstrates changed circumstances sufficient to warrant a review.⁹ Therefore, in accordance with section 751(b)(1)

⁶ For a complete description of the scope of the order, *see* Memorandum from James Maeder, Senior Director performing the duties of Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Carole Showers, Executive Director, Office of Policy, performing the duties of the Deputy Assistant Secretary for Enforcement and Compliance, "Carbon and Certain Alloy Steel Wire Rod from Mexico Preliminary Decision Memorandum of Changed Circumstances Review," dated concurrently with, and hereby adopted by, these preliminary results (Preliminary Decision Memorandum).

⁷ *See, e.g., Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016) (*Solar Cells PRC 2016 CCR Final*).

⁸ *See* CCR Request at 2.

⁹ *See* 19 CFR 351.216(d).

of the Act and 19 CFR 351.216(d), the Department is initiating a changed circumstances review to determine whether AMM is the successor-in-interest to AMLT.

Preliminary Results

When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results of a CCR in a single notice.¹⁰ The Department has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.¹¹ In this instance, because the record contains information necessary to support the request for a preliminary determination, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results, in accordance with 19 CFR 351.221(c)(3)(ii).

In a CCR, we generally consider a company to be the successor to another company for antidumping (AD) cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.¹² In making this determination, the Department examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.¹³ While no one or several of these factors will necessarily provide a dispositive indication of succession, the Department will generally consider one company to be the successor to another company if its resulting operation

¹⁰ See 19 CFR 351.221(c)(3)(ii).

¹¹ See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016), unchanged in *Solar Cells PRC 2016 CCR Final*.

¹² *Id.*

¹³ See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117, 48118 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

is essentially the same as that of its predecessor.¹⁴ Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.¹⁵

In its CCR Request, AMM provided evidence demonstrating that its operations are not materially dissimilar from those of its predecessor, AMLT.¹⁶ Specifically, AMM and AMLT are both owned by the same parent company, and the record shows that the same employees and management control the company both before and after the acquisition.¹⁷ Further, AMM demonstrates that it simply integrated AMLT's long steel products production facilities into its company's assets and has not made any material changes to the production processes.¹⁸ Finally, the record confirms that there have not been any material changes to the company's suppliers,¹⁹ nor to the customer base,²⁰ as a result of the merger. Based on the foregoing findings, which are explained in greater detail in the Preliminary Decision Memorandum, the Department preliminarily determines that AMM is the successor-in-interest to AMLT and, as such, it is entitled to AMLT's AD cash deposit rate with respect to entries of subject merchandise. Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to suspend liquidation of entries of wire rod products produced and/or exported by AMM at the AD cash-deposit rate applicable to AMLT, effective the date of publication of the final results.

¹⁴ *Id.*

¹⁵ *See Solar Cells PRC 2016 CCR Final*, 81 FR at 91910.

¹⁶ *See generally* CCR Request.

¹⁷ *Id.* at 4-5 and Exhibits B and C.

¹⁸ *Id.* at 6-7 and Exhibit A.

¹⁹ *Id.* at 7-8 and Exhibit A.

²⁰ *Id.* at 8-9.

Public Comment

Interested parties may submit case briefs not later than 30 days after the date of publication of this notice.²¹ Rebuttal briefs, which must be limited to issues raised in such briefs, may be filed not later than seven days after the date of publication of this notice.²² Parties who submit case briefs or rebuttal briefs in this changed circumstances review are requested to submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument with an electronic version included.²³

Any interested party may request a hearing within 30 days of publication of this notice.²⁴ Hearing 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. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230 in a room to be determined.²⁵

All submissions, with limited exceptions, must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.²⁶

²¹ See 19 CFR 321.309(c)(1)(ii).

²² See 19 CFR 351.309(d)(1) and (2).

²³ See 19 CFR 351.309(c)(2) and (d)(2).

²⁴ See 19 CFR 351.310(c).

²⁵ See 19 CFR 351.310(d).

²⁶ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures: Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed-circumstances review no later than 270 days after the date on which this review was initiated or within 45 days if all parties agree to the outcome of the review. We intend to issue and publish this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3) of the Department's regulations.

Carole Showers
Executive Director, Office of Policy
performing the duties of the Deputy Assistant Secretary
for Enforcement and Compliance

Dated: September 28, 2017

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