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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-058]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China: Amended Preliminary Affirmative Determination of Sales at Less-Than-Fair Value

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

SUMMARY: The Department of Commerce (Commerce) is amending the preliminary determination of the less-than-fair-value (LTFV) investigation of certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from the People's Republic of China (China) to correct certain significant ministerial errors.

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

FOR FURTHER INFORMATION CONTACT: Keith Haynes or Paul Stolz, 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 or, (202) 482-4474, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 22, 2017, Commerce published the *Preliminary Determination*.¹ On November 24, 2017, Commerce disclosed to interested parties its calculations for the *Preliminary Determination*. On November 27, 2017, Commerce extended the period to submit

¹ See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less-Than-Fair Value and Preliminary Affirmative Determination of Critical Circumstances, in Part, and Postponement of Final Determination*, 82 FR 55574 (November 22, 2017) (*Preliminary Determination*).

ministerial error comments to December 1, 2017.² On December 1, 2017, Zhangjiagang Huacheng Import & Export Co., Ltd. (Huacheng) alleged certain ministerial errors in the *Preliminary Determination*.³ Commerce did not receive ministerial error allegations from any other interested party.

Period of Investigation

The period of investigation is October 1, 2016, through March 31, 2017.

Scope of the Investigation

This investigation covers cold-drawn mechanical tubing from China. Since the publication of the *Preliminary Determination* and preliminary scope language contained therein, Commerce has evaluated relevant comments and issued its Final Scope Determination Memorandum.⁴ For a complete description of the final scope of this investigation, *see* the Appendix to this notice.

Analysis of Significant Ministerial Error Allegation

Commerce will analyze any comments received and, if appropriate, correct any significant ministerial error by amending the preliminary determination according to 19 CFR 351.224(e). 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

² See the Department’s memorandum, “Deadline for Ministerial Error Comments for the Preliminary Determination,” dated November 27, 2017.

³ See Huacheng’s letter, “Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from People's Republic of China: Ministerial Error Comments,” dated December 1, 2017 (Hongyi’s Ministerial Error Allegation).

⁴ See the Department’s memorandum, “Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the Federal Republic of Germany, India, Italy, the Republic of Korea, the People’s Republic of China, and Switzerland: Scope Comments Decision Memorandum for the Final Determinations,” dated December 4, 2017 (Scope Comments Decision Memo).

considers ministerial.”⁵ A significant ministerial error is defined as an 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 antidumping duty rate calculated in the original (erroneous) preliminary determination; or (2) a difference between an antidumping duty rate of zero (or *de minimis*) and an antidumping duty rate of greater than *de minimis* or vice versa.⁶

Pursuant to 19 CFR 351.224(e) and (g)(1), Commerce is amending the *Preliminary Determination* to reflect the correction of four ministerial errors made in the calculation of the estimated weighted-average dumping margin for Huacheng.⁷ These errors are significant ministerial errors within the meaning of 19 CFR 351.224(g) because Huacheng’s margin decreases from 61.59 percent to 24.30 percent as a result of correcting these ministerial errors, exceeding the specified threshold, *i.e.*, a change of at least five absolute percentage points in, but not less than 25 percent of, the antidumping duty rate calculated in the original (erroneous) preliminary determination.⁸

Huacheng is the only mandatory respondent for which Commerce calculated a weighted-average dumping margin. For this reason, we assigned Huacheng’s calculated rate to the non-examined respondents that preliminarily received a separate rate. As part of this amended preliminary determination, Commerce will accordingly amend the estimated weighted-average

⁵ See Section 735(e) of the Tariff Act of 1930, as amended (the “Act”).

⁶ See 19 CFR 351.224(g).

⁷ See the Department’s memorandum, “Less-Than-Fair-Value Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People’s Republic of China: Allegation of Ministerial Errors in the Preliminary Determination,” dated concurrently with this notice for the analysis performed (Ministerial Error Memorandum). The Department is also correcting an additional error made in the calculation of surrogate value ratios.

⁸ See the Department’s memorandum, “Analysis for the Amended Preliminary Determination of the Less-Than-Fair-Value Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People’s Republic of China,” dated concurrently with this notice.

dumping margin for each non-examined respondent that preliminarily received a separate rate to 24.30 percent.

Amended Cash Deposits and Suspension of Liquidation

The collection of cash deposits and suspension of liquidation will be revised according to the rates calculated in this amended preliminary determination. Because these amended rates result in reduced cash deposits, they will be effective retroactively to November 22, 2017, the date of publication of the *Preliminary Determination*, and parties will be notified of this determination, in accordance with section 733(d) and (f) of the Tariff Act of 1930, as amended (the Act).

Amended Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average antidumping duty margins exist:

Producer	Exporter	Weighted-average margin (percent)	Cash Deposit adjusted for subsidy offset (percent)
Jiangsu Hongyi Steel Pipe Co., Ltd., and Changzhou Hongren Precision Pipe Manufacturing Co., Ltd. ⁹	Jiangsu Hongyi Steel Pipe Co., Ltd.	186.89	186.89
Jiangsu Huacheng Industry Pipe Making Corporation, and Zhangjiagang Salem Fine Tubing Co., Ltd. ¹⁰	Zhangjiagang Huacheng Import & Export Co., Ltd.	24.30	24.27
Anji Pengda Steel Pipe Co., Ltd.	Anji Pengda Steel Pipe	24.30	24.29

⁹ In addition to the correction of the ministerial errors discussed above, we are correcting in this notice the company names listed in the *Preliminary Determination* to reflect the collapsed determinations for the two mandatory respondents. Specifically, in the *Preliminary Determination*, we inadvertently listed only the company name for the Huacheng and Hongyi respondent in the relevant producer and exporter fields. Herein, we are correcting the company name listed in the *Preliminary Determination* to include all names of the companies comprising the collapsed Hongyi and Huacheng entity, as appropriate.

¹⁰ *Id.*

	Co., Ltd.		
Changshu Fushilai Steel Pipe Co., Ltd.	Changshu Fushilai Steel Pipe Co., Ltd.	24.30	24.29
Changshu Special Shaped Steel Tube Co., Ltd.	Changshu Special Shaped Steel Tube Co., Ltd.	24.30	24.29
Jiangsu Liwan Precision Tube Manufacturing Co., Ltd.	Suzhou Foster International Co., Ltd.	24.30	24.29
Zhangjiagang Precision Tube Manufacturing Co., Ltd. (Zhangjiagang Tube)	Suzhou Foster International Co., Ltd.	24.30	24.29
Wuxi Dajin High-Precision Cold-Drawn Steel Tube Co., Ltd.	Wuxi Huijin International Trade Co., Ltd.	24.30	24.29
Zhangjiagang Shengdingyuan Pipe-Making Co., Ltd.	Zhangjiagang Shengdingyuan Pipe-Making Co., Ltd.	24.30	24.29
Zhejiang Minghe Steel Pipe Co., Ltd.	Zhejiang Minghe Steel Pipe Co., Ltd.	24.30	24.29
Zhejiang Dingxin Steel Tube Manufacturing Co., Ltd	Zhejiang Dingxin Steel Tube Manufacturing Co., Ltd	24.30	24.29
China-Wide Entity		186.89	186.89

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after publication of the notice of amended preliminary determination in the *Federal Register* in accordance with 19 CFR 351.224(b).

International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the International Trade Commission of our determination.

This determination is issued and published pursuant to sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.224(e).

Dated: December 27, 2017.

Gary Taverman,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigation

The scope of this investigation covers cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) of circular cross-section, 304.8 mm or more in length, in actual outside diameters less than 331mm, and regardless of wall thickness, surface finish, end finish or industry specification. The subject cold-drawn mechanical tubing is a tubular product with a circular cross-sectional shape that has been cold-drawn or otherwise cold-finished after the initial tube formation in a manner that involves a change in the diameter or wall thickness of the tubing, or both. The subject cold-drawn mechanical tubing may be produced from either welded (e.g., electric resistance welded, continuous welded, etc.) or seamless (e.g., pierced, pilgered or extruded, etc.) carbon or alloy steel tubular products. It may also be heat treated after cold working. Such heat treatments may include, but are not limited to, annealing, normalizing, quenching and tempering, stress relieving or finish annealing. Typical cold-drawing methods for subject merchandise include, but are not limited to, drawing over mandrel, rod drawing, plug drawing, sink drawing and similar processes that involve reducing the outside diameter of the tubing with a die or similar device, whether or not controlling the inside diameter of the tubing with an internal support device such as a mandrel, rod, plug or similar device. Other cold-finishing operations that may be used to produce subject merchandise include cold-rolling and cold-sizing the tubing.

Subject cold-drawn mechanical tubing is typically certified to meet industry specifications for cold-drawn tubing including but not limited to:

(1) American Society for Testing and Materials (ASTM) or American Society of Mechanical Engineers (ASME) specifications ASTM A-512, ASTM A-513 Type 3 (ASME SA513 Type 3), ASTM A-513 Type 4 (ASME SA513 Type 4), ASTM A-513 Type 5 (ASME SA513 Type 5), ASTM A-513 Type 6 (ASME SA513 Type 6), ASTM A-519 (cold-finished);

(2) SAE International (Society of Automotive Engineers) specifications SAE J524, SAE J525, SAE J2833, SAE J2614, SAE J2467, SAE J2435, SAE J2613;

(3) Aerospace Material Specification (AMS) AMS T-6736 (AMS 6736), AMS 6371, AMS 5050, AMS 5075, AMS 5062, AMS 6360, AMS 6361, AMS 6362, AMS 6371, AMS 6372, AMS 6374, AMS 6381, AMS 6415;

(4) United States Military Standards (MIL) MIL-T-5066 and MIL-T-6736;

(5) foreign standards equivalent to one of the previously listed ASTM, ASME, SAE, AMS or MIL specifications including but not limited to:

(a) German Institute for Standardization (DIN) specifications DIN 2391-2, DIN 2393-2, DIN 2394-2);

(b) European Standards (EN) EN 10305-1, EN 10305-2, EN 10305-4, EN 10305-6 and European

national variations on those standards (e.g., British Standard (BS EN), Irish Standard (IS EN) and German Standard (DIN EN) variations, etc.);

(c) Japanese Industrial Standard (JIS) JIS G 3441 and JIS G 3445; and

(6) proprietary standards that are based on one of the above-listed standards.

The subject cold-drawn mechanical tubing may also be dual or multiple certified to more than one standard. Pipe that is multiple certified as cold-drawn mechanical tubing and to other specifications not covered by this scope, is also covered by the scope of this investigation when it meets the physical description set forth above.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

For purposes of this scope, the place of cold-drawing determines the country of origin of the subject merchandise. Subject merchandise that is subject to minor working in a third country that occurs after drawing in one of the subject countries including, but not limited to, heat treatment, cutting to length, straightening, nondestructive testing, deburring or chamfering, remains within the scope of this investigation.

All products that meet the written physical description are within the scope of this investigation unless specifically excluded or covered by the scope of an existing order. Merchandise that meets the physical description of cold-drawn mechanical tubing above is within the scope of the investigation even if it is also dual or multiple certified to an otherwise excluded specification listed below. The following products are outside of, and/or specifically excluded from, the scope of this investigation:

(1) cold-drawn stainless steel tubing, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;

(2) products certified to one or more of the ASTM, ASME or American Petroleum Institute (API) specifications listed below:

- ASTM A-53;
- ASTM A-106;
- ASTM A-179 (ASME SA 179);
- ASTM A-192 (ASME SA 192);
- ASTM A-209 (ASME SA 209);
- ASTM A-210 (ASME SA 210);
- ASTM A-213 (ASME SA 213);
- ASTM A-334 (ASME SA 334);
- ASTM A-423 (ASME SA 423);
- ASTM A-498;
- ASTM A-496 (ASME SA 496);

- ASTM A-199;
- ASTM A-500;
- ASTM A-556;
- ASTM A-565;
- API 5L; and
- API 5CT

except that any cold-drawn tubing product certified to one of the above excluded specifications will not be excluded from the scope if it is also dual- or multiple-certified to any other specification that otherwise would fall within the scope of this investigation.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7304.31.3000, 7304.31.6050, 7304.51.1000, 7304.51.5005, 7304.51.5060, 7306.30.5015, 7306.30.5020, 7306.50.5030. Subject merchandise may also enter under numbers 7306.30.1000 and 7306.50.1000. The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

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