



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-832]

Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, in Part

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to exporters and producers of carbon and alloy steel wire rod (wire rod) from the Republic of Turkey (Turkey) for the period of investigation (POI), January 1, 2016, through December 31, 2016.

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

FOR FURTHER INFORMATION CONTACT: Justin Neuman or Omar Qureshi, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0486 or (202) 482-5307, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 5, 2017, Commerce published its affirmative *Preliminary Determination* of this countervailing duty (CVD) investigation.¹

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-

¹ See *Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Preliminary Affirmative Critical Circumstances Determination, in Part*, 82 FR 41929 (September 5, 2017) (*Preliminary Determination*).

business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final determination of this investigation is now March 19, 2018.² A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.³

Scope of the Investigation

The scope of the investigation covers wire rod from Turkey. For a complete description of the scope of the investigation, *see* Appendix I.

Scope Comments

² *See* Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government", dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

³ *See* Memorandum, "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Carbon and Alloy Steel Wire Rod from the Republic of Turkey," dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

During the course of this investigation, Commerce received numerous scope comments from interested parties. Prior to the *Preliminary Determination*, Commerce issued a Preliminary Scope Decision Memorandum to address these comments and made no changes to the scope of the investigation as it appeared in the *Initiation Notice*.⁴

In September 2017, we received scope case and rebuttal briefs. On November 20, 2017, we issued the Final Scope Decision Memorandum in response to the comments received.⁵ We did not change the scope of this investigation.

Methodology

Commerce is conducting this CVD investigation in accordance with section 701 of the Tariff Act of 1930, as amended (Act). For each of the subsidy programs found to be countervailable, we determine that there is a subsidy (*i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient) and that the subsidy is specific. For a full description of the methodology underlying our final determination, *see* the Issues and Decisions Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II. 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

⁴ For discussion of these comments, *see* Memorandum, “Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determination” (Preliminary Scope Decision Memorandum), dated August 7, 2017.

⁵ For discussion of these comments, *see* Memorandum, “Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum” (Final Scope Decision Memorandum), dated November 20, 2017.

<https://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

Commerce conducted verification of the questionnaire responses submitted by the Government of Turkey, Habas Sinai Ve Tibbi Gazlar Istih (Habas), and Icdas Celik Eberji Tersane Ve Ulasim San (Icdas) between January 18, and February 9, 2018.

Adverse Facts Available

If necessary information is not available on the record, or an interested party withholds information, fails to provide requested information in a timely manner, significantly impedes a proceeding by not providing information, or information provided cannot be verified, Commerce will apply facts available, pursuant to section 776(a)(1) and (2) of the Tariff Act of 1930, as amended (the Act). For purposes of this final determination, Commerce relied, in part, on facts available and, because certain respondents did not cooperate by not acting to the best of their ability to respond to the Commerce's requests for information, we drew an adverse inference, where appropriate, in selecting from among the facts otherwise available.⁶ A full discussion of our decision to rely on adverse facts available is presented in the "Use of Facts Otherwise Available and Adverse Inferences" section of the Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the subsidy rate calculations since the *Preliminary Determination*.

⁶ See sections 776(a) and (b) of the Act.

These changes are discussed in the “Analysis of Programs” section of the Issues and Decision Memorandum.⁷

Final Affirmative Determination of Critical Circumstances, in Part

In the *Preliminary Determination*, Commerce found that critical circumstances exist with respect to imports of wire rod from Turkey from all other exporters or producers not individually examined.⁸ Following the *Preliminary Determination*, Habas did not provide requested information concerning its shipments through September 2017. As a result, we are modifying our findings for this final determination and relying, in part, on facts otherwise available with an adverse inference in arriving at our conclusion that, in accordance with section 705(a)(2) of the Act that critical circumstances exist with respect to Habas. We continue to find, as we did in the *Preliminary Determination* that critical circumstances exist with respect to imports from “all other” companies. For a full description of the methodology and results of Commerce’s analysis, see the Issues and Decision Memorandum.

Final Determination

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated a rate for each exporter/producer of the subject merchandise individually investigated, *i.e.*, Habas and Icdas. In accordance with section 705(c)(5)(A) of the Act, for companies not individually investigated, we apply an “all-others” rate, which is normally calculated by weighting the subsidy rates of the individual companies selected as mandatory respondents by those companies’ exports of the subject merchandise to the United States. Under section 705(c)(5)(A)(i) of the Act, the “all-others” rate excludes zero and *de minimis* rates calculated for the exporters and producers

⁷ See Issues and Decision Memorandum at VII; *see also* Department Memorandum, “Carbon and Alloy Steel Wire Rod from the Republic of Turkey: Calculations for the Final Countervailing Duty Determination,” dated March 19, 2018.

⁸ See *Preliminary Determination* at 41930.

individually investigated, as well as rates based entirely on facts otherwise available. Where the rates for the individually investigated companies are all zero or *de minimis*, or determined entirely using facts otherwise available, section 705(c)(5)(A)(ii) of the Act instructs Commerce to establish an “all-others” rate using “any reasonable method.”

In this investigation, Commerce calculated individual countervailable subsidy rates for Habas and Icdas that are not zero, *de minimis*, or based entirely on facts otherwise available. Because we do not have publicly ranged data from all company respondents with which to calculate the all-others rate using a weighted-average of the individual estimated subsidy rates, Commerce calculated the all-others rate using a simple average of the individual estimated subsidy rates calculated for the examined respondents.

The final subsidy rates are as follows:

Company	Subsidy Rate
Habas Sinai Ve Tibbi Gazlar Istih	3.86 percent
Icdas Celik Eberji Tersane Ve Ulasim San	3.81 percent
All-Others	3.84 percent

Disclosure

We intend to disclose the calculations performed within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination*, and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of any entries of merchandise under consideration from Turkey that were entered, or withdrawn from warehouse, for consumption by Habas and all other producers or exporters, other than Icdas, on or after September 5, 2017, which is the publication date in the *Federal Register* of the *Preliminary*

Determination. In accordance with section 703(d) of the Act, we instructed CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after January 3, 2018, but to continue the suspension of liquidation of all entries from September 5, 2017, through January 2, 2018.

The Department continues to find that critical circumstances exist for the all others companies and therefore we will instruct CBP to continue to suspend liquidation of all entries of subject merchandise from the all others companies entered, or withdrawn from warehouse, for consumption on or after June 7, 2017, which is 90 days prior to the date of publication of the *Preliminary Determination*. CBP shall continue to require a cash deposit equal to the rates shown above. In addition, because we have determined for this final determination that critical circumstances exist for Habas, and section 705(c)(4) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the date on which the suspension of liquidation was first ordered, we will also instruct CBP to suspend liquidation of all entries of subject merchandise from Habas entered, or withdrawn from warehouse, for consumption on or after June 7, 2017, which is 90 days before the date on which suspension of liquidation was first ordered. These instructions suspending liquidation will remain in effect until further notice.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty order and will require a cash deposit of estimated countervailing duties for entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this

proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the ITC of the final affirmative countervailing duty determination. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of wire rod from Turkey, no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a countervailing duty order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (APO)

This notice serves as a 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). Timely 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.

This determination is issued and published in accordance with sections 705(d) and 777(i)
of the Act.

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

Dated: March 19, 2018.

Appendix I

Scope of the Investigation

The products covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Final Determination of Critical Circumstances
- V. Subsidies Valuation
- VI. Benchmarks and Discount Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Analysis of Comments

Comment 1: Whether Commerce Should Adjust the Benchmark Prices for Natural Gas

Comment 2: Whether Commerce Should Alter the Calculation of Habas' Benefit under the Rediscounted Loan Program Sales Denominator for Habas

Comment 3: Whether Commerce Should Countervail the Minimum Wage Support Program

Comment 4: Whether Commerce Should Adjust Icdas' Sales Denominator

- X. Recommendation

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