



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-892

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the Republic of Korea: Final Affirmative Determination of Sales at Less Than Fair Value, Final Affirmative Determination of Critical Circumstances

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain cold-drawn mechanical tubing of carbon and alloy steel (mechanical tubing) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2016, through March 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Annathea Cook, 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) 482-0250.

## SUPPLEMENTARY INFORMATION:

### Background

On November 22, 2017, Commerce published the *Preliminary Determination* in the *Federal Register*.<sup>1</sup> The petitioners in this case are ArcelorMittal Tubular Products; Michigan Seamless Tube, LLC; Plymouth Tube Co. USA; PTC Alliance Corp.; Webco Industries, Inc.; and Zekelman Industries, Inc. (collectively, the petitioners). The mandatory respondents in this investigation are Sang Shin Ind. Co., Ltd. (Sang Shin) and Yulchon Co., Ltd. (Yulchon). Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. As a result, the revised deadline for the final determination of this investigation is now April 9, 2018.<sup>2</sup>

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<sup>1</sup> See *Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, in Part, Postponement of Final Determination, and Extension of Provisional Measures*, 82 FR 55564 (November 22, 2017) (Preliminary Determination) and accompanying Preliminary Decision Memorandum.

<sup>2</sup> 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*” (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

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 accompanying Issues and Decision Memorandum.<sup>3</sup> 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 <http://access.trade.gov>, and 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 at <http://enforcement.trade.gov>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

### Scope of the Investigation

The product covered by this investigation is mechanical tubing from Korea. For a complete description of the scope of this investigation, see Appendix I.

### Scope Comments

Certain interested parties commented on the scope of the investigation as it appeared in the Preliminary Scope Decision Memorandum.<sup>4</sup> On December 4, 2017, the petitioners withdrew

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<sup>3</sup> See Memorandum, “*Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the Republic of Korea*,” dated concurrently with this determination and hereby adopted by this notice (Issues and Decision Memorandum).

<sup>4</sup> See 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 Preliminary Determinations*,” dated November 15, 2017 (Preliminary Scope Decision Memorandum).

a portion of their comments regarding the scope language.<sup>5</sup> Commerce addressed all scope comments received in the Final Scope Decision Memorandum.<sup>6</sup>

#### Period of Investigation

The POI is April 1, 2016, through March 31, 2017.

#### Verification

As provided in section 782(i) of the Act of 1930, as amended (the Act), Commerce conducted a verification of the sales data reported by Yulchon. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by the respondents.<sup>7</sup> Commerce did not conduct a cost verification as explained in the Issues and Decision Memorandum.<sup>8</sup>

#### Analysis of Comments Received

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

#### Use of Facts Available and Adverse Facts Available

For purposes of this final determination, Commerce determined Sang Shin and Yulchon's margins on the basis of facts available with adverse inferences, pursuant to sections 776(a)(1) and 776(a)(2)(A), (B), (C), and (D), and 776(b) of the Act. For further information, *see* the Issues and Decision Memorandum.

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<sup>5</sup> See the petitioners' letter, "Certain Cold-Drawn Mechanical Tubing from Germany et al. – EN-10305-3," dated December 4, 2017.

<sup>6</sup> See 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 Decision Memorandum for the Final Determinations: Final Scope Decision Memorandum," dated December 4, 2017 (Final Scope Decision Memorandum).

<sup>7</sup> See Memo to the File, "*Verification of the Sales Response of Yulchon in the Antidumping Investigation of Cold-Drawn Mechanical Tubing from the Republic of Korea*," dated February 7, 2018 (Verification Report).

<sup>8</sup> See Issues and Decision Memorandum at 2.

### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum. Our determination for Sang Shin, to apply a margin based on total adverse facts available, remains unchanged from the *Preliminary Determination*.<sup>9</sup>

### All-Others Rate

Sections 735(c)(1)(B)(i)(II) and 735(c)(5) of the Act provide that in the final determination, Commerce shall determine an estimated all-others rate for all exporters and producers not individually investigated. Section 735(c)(5)(A) of the Act provides that the estimated “all-others” rate shall be 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 under section 776 of the Act. However, if all estimated weighted-average dumping margins for the individually investigated companies are zero, *de minimis*, or determined entirely under section 776 of the Act, then section 735(c)(5)(B) of the Act instructs that Commerce may use any reasonable method for determining the estimated all-others rate. Because both mandatory respondents in this investigation are receiving rates based entirely on facts available under section 776 of the Act, as “any reasonable method” pursuant to section 735(c)(5)(B) of the Act, we are assigning all other producers and exporters of the merchandise under consideration a rate based on a simple average of the petition margins.

### Final Affirmative Determination of Critical Circumstances

For the *Preliminary Determination*, Commerce found that critical circumstances exist with

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<sup>9</sup> *See Preliminary Determination*, 82 FR at 55565; see also PDM at 15-19.

respect to imports of mechanical tubing from Sang Shin, but not from Yulchon or companies covered by the “all others” rate.<sup>10</sup> We have made changes to our critical circumstances preliminary determination. For further discussion, *see* the Issues and Decision Memorandum at “Final Affirmative Determination of Critical Circumstances.” Thus, pursuant to 733(e)(1) of the Act and 19 CFR 351.206, we find that critical circumstances exist with respect to subject merchandise produced or exported by Sang Shin, Yulchon, and “all others.”

Final Determination

The final estimated weighted-average dumping margins are as follows:

<b>Exporter/Producer</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>
Sang Shin Ind. Co., Ltd.	*48.00
Yulchon Co., Ltd	*48.00
All-Others	30.67

\* (AFA)

Disclosure

We will disclose the calculations performed to interested parties in this proceeding within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(4)(B) 4(i)(1)(A) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to modify the previously ordered suspension of liquidation for Yulchon and the companies subject to the “all others” rate, for all appropriate

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<sup>10</sup> *Id.* at 19-23.

entries of mechanical tubing from Korea, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after the date that is 90 days before November 22, 2017, the date of publication of the *Preliminary Determination*. In accordance with section 735(c)(4)(A) of the Act, Commerce will instruct CBP to continue the previously ordered suspension of liquidation for all appropriate entries for Sang Shin.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin.

#### ITC Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. 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 cold-drawn mechanical tubing from Korea 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 an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping 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, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of 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 violation subject to sanction.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

*Dated: April 9, 2018.*

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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 I

### 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, in actual outside diameters less than 331 mm, 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.

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 (BSEN), 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, nondestruction testing, deburring or chamfering, remains within the scope of the investigations.

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.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decisions Memorandum**

- I. Summary
  - II. Background
  - III. Scope of the Investigation
  - IV. Changes Since the Preliminary Determination
  - V. Use of Total Adverse Facts Available
  - VI. Final Affirmative Determination of Critical Circumstances
  - VII. Discussion of the Issues
    - Issue 1: Findings at Yulchon's Verification
    - Issue 2: Application of Total AFA to Yulchon
  - VIII. Recommendation
- [FR Doc. 2018-07854 Filed: 4/13/2018 8:45 am; Publication Date: 4/16/2018]