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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; 2015-2016**

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

SUMMARY: The Department of Commerce (Commerce) determines that Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) and Maquilacero, S.A. de C.V. (Maquilacero), producers/exporters of certain circular welded non-alloy steel pipe from Mexico, sold subject merchandise in the United States at prices below normal value (NV) during the period of review (POR) November 1, 2015, through October 31, 2016.

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 6, 2017, Commerce 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), Commerce

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<sup>1</sup> See *Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Preliminary Results of Review, Preliminary*

invited interested parties to comment on the *Preliminary Results*. On March 23, 2018, Maquilacero and Prolamsa each submitted case briefs.<sup>2</sup> On March 28, 2018, Wheatland Tube Company (the petitioner) submitted a rebuttal brief.<sup>3</sup>

Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through 22, 2018.<sup>4</sup> As a result, the revised deadline for the final results of this review was April 9, 2018. On March 8, 2018, Commerce extended the time limit for the final results, until May 18, 2018.<sup>5</sup>

These final results cover ten companies. Based on an analysis of the comments received, we have made changes to the weighted-average dumping margins determined for the respondents. The weighted-average dumping margins are listed in the “Final Results of Review” section, below.

This administrative review was conducted in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

#### 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.

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*Determination of No Shipments, and Partial Rescission of Antidumping Duty Administrative Review; 2015-2016, 82 FR 57579 (December 6, 2017) (Preliminary Results).*

<sup>2</sup> See Maquilacero Letter re: Certain Circular Welded Non-Alloy Steel Pipe and Tube from Mexico; Maquilacero S.A. de C.V.’s Case Brief, dated March 23, 2018 (Maquilacero’s Case Brief); see also Prolamsa letter re: Circular Welded Non-Alloy Steel Pipe from Mexico: Case Brief, dated March 23, 2018 (Prolamsa’s Case Brief).

<sup>3</sup> See Petitioner Letter re: Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Wheatland Rebuttal Brief, dated March 28, 2018 (Petitioner’s Rebuttal Brief).

<sup>4</sup> See Memorandum, “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 three days.

<sup>5</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 March 8, 2018.

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 Decision Memorandum,<sup>6</sup> which is hereby adopted by this notice and incorporated herein by reference. 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 <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 Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn>. The signed and electronic versions of the Issues and Decision 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.

#### Changes Since the Preliminary Results

Based on our analysis of the comments received, and for the reasons explained in the Issues and Decision Memorandum, we made certain changes to Prolamsa'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.

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<sup>6</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; 2015-2016," dated concurrently with this notice (Issues and Decision Memorandum).

### Application of Adverse Facts Available

For these final results, we continue to find that Maquilacero withheld necessary information and significantly impeded the proceeding and, thus, failed to cooperate to the best of its ability in responding to our requests for information. Therefore, we find that the application of adverse facts available, pursuant to section 776(a)-(b) of the Act, is warranted with respect to Maquilacero. For a full description of the methodology and rationale underlying our conclusions, *see* Issues and Decision Memorandum.

### Final Determination of No Shipments

Lamina y Placa Comercial, S.A. de C.V. (Lamina y Placa), Pytco, S.A. de C.V. (Pytco), Regiomontana de Perfiles y Tubos S.A. de C.V. (Regiopytsa), Tuberia Nacional, S.A. de C.V. (TUNA), and Villacero reported that they made no sales of subject merchandise during the POR.<sup>7</sup> On April 28, 2017, we issued a no-shipment inquiry to U.S. Customs and Border Protection (CBP) to confirm the claims of no shipments by Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA during the POR.<sup>8</sup> We received no information from CBP that contradicted Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA's claims of no shipments, and we received no comments from interested parties with respect to Commerce's preliminary determination of no shipments for Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA. Therefore, based on the claims of no shipments by Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA, and because the record contains no information to the contrary, we continue to

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<sup>7</sup> *See* Lamina y Placa Letter re: Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Notice of No Sales, dated January 25, 2017 (which includes TUNA); *see also* Villacero Letter re: Circular Welded Non-Alloy Steel Pipe and Tube from Mexico: Notice of No Sales, dated February 3, 2017; *see also* Regiopytsa Letter re: Circular Welded Non-Alloy Steel Pipe from Mexico: No Shipment Notification, dated February 13, 2017 (which includes Pytco).

<sup>8</sup> *See Preliminary Results.*

determine for these final results that Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA made no shipments of subject merchandise during the POR.

#### Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "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 {on the basis of facts available}."

However, section 735(c)(5)(B) of the Act provides that, where all margins are zero, *de minimis*, or based on total facts available, Commerce may use "any reasonable method" for assigning a margin to non-selected respondents. One method contemplated by section 735(c)(5)(B) of the Act is "averaging the estimated weighted average dumping margins determined for the exporters and producers individually investigated." For these final results, we calculated a weighted-average dumping margin of zero percent for Prolamsa, and we determined Maquilacero's margin entirely on the basis of facts available (*i.e.*, 48.33 percent). Because we have not calculated rates that are not based entirely on facts available, zero, or *de minimis*, we have determined that a reasonable method for assigning a margin to non-selected respondents in this review is to average the weighted-average dumping margins calculated for the two

mandatory respondents. The simple average of these rates is 24.17 percent, and this is the rate we assign to Abastecedora y Perfiles y Tubos, S.A. de C.V. (Abastecedora), Conduit, S.A. de C.V. (Conduit), and Ternium Mexico, S.A. de C.V. (Ternium).<sup>9</sup>

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 Margin (percent)</b>
Maquilacero, S.A. de C.V.	48.33
Productos Laminados de Monterrey S.A. de C.V.	0.00
Abastecedora y Perfiles y Tubos, S.A. de C.V.	24.17
Conduit, S.A. de C.V.	24.17
Ternium Mexico, S.A. de C.V.	24.17

Disclosure

Commerce 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 accordance with 19 CFR 351.224(b).

Assessment

Pursuant to section 751(a)(2)(A) of the Act, and 19 CFR 351.212(b), Commerce has determined, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue assessment instructions to CBP 41 days after the date of publication of these final results of review.

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<sup>9</sup> See, e.g., *Certain Lined Paper Products from India: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 22232 (April 15, 2013), and the accompanying Issues and Decision Memorandum at 12-15.

Commerce shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries. Because the weighted-average dumping margin of Prolamsa is zero, we will instruct CBP to liquidate entries covered by this review period without regard to antidumping duties. Commerce will instruct CBP to apply an *ad valorem* assessment rate of 48.33 percent to all entries of subject merchandise during the POR which were produced and/or exported by Maquilacero. Commerce will instruct CBP to apply an *ad valorem* assessment rate of 24.17 percent to all entries of subject merchandise during the POR which were produced and/or exported by Abastecedora, Conduit, or Ternium. Additionally, because Commerce determined that Lamina y Placa, Pytco, Regiopytsa, Villacero, and TUNA 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 Commerce's practice.<sup>10</sup> We intend to issue assessment instructions directly to CBP 41 days after publication of the final results of this review.

#### 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 the companies listed in these final results will be equal to the weighted-average dumping margins 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

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<sup>10</sup> For a full discussion of this clarification, *see Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) 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 LTFV investigation.<sup>11</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 Commerce'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 order (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.

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<sup>11</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).

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: May 17, 2018.

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

### 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: Use of Prolamsa's Revised Databases
    - Comment 2: Revision of POR in Prolamsa's Margin Program
    - Comment 3: Proper CONNUMs to Use in Prolamsa's Margin Program
    - Comment 4: Prolamsa's Warehousing Expenses
    - Comment 5: AFA Rate for Maquilacero
    - Comment 6: Maquilacero Liquidation Instructions
  - V. Recommendation
- [FR Doc. 2018-11031 Filed: 5/22/2018 8:45 am; Publication Date: 5/23/2018]