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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016-2017

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that sales of heavy walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) from Mexico have been made below normal value. Additionally, Commerce preliminarily determines that a company for which we initiated a review had no shipments during the period of review (POR). We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Blaine Wiltse or David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6345 or (202) 482-3693, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce is conducting an administrative review of the antidumping duty order on HWR pipes and tubes from Mexico. The notice of initiation of this administrative review was

published on November 13, 2017.¹ This review covers 11 producers and/or exporters of the subject merchandise. Commerce selected two mandatory respondents for individual examination: Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados d Monterrey S.A. de C.V. (Prolamsa). The POR is March 1, 2016, through August 31, 2017.

In May 2018, Commerce extended the preliminary results of this review to no later than October 3, 2018.²

Scope of the Order

The merchandise subject to the order is certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm.³ The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications. Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 52268 (November 13, 2017).

² See Memorandum, “Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated May 10, 2018. In this memorandum, we noted that Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through January 22, 2018. See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated January 23, 2018. As a result, the revised deadline for the preliminary results became October 3, 2018.

³ For a complete description of the scope of the Order, see Memorandum, “Decision Memorandum for the Preliminary Results of the 2016-2017 Administrative Review of the Antidumping Duty Order on Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The product is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item number 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive.

Methodology

Commerce is conducting this review in accordance with sections 751(a)(1)(B) and (2) of the Tariff Act of 1930, as amended (the Act). Export price and constructed export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary 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 to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice.

Preliminary Determination of No Shipments

One of the companies under review, Tuberia Nacional S.A. de C.V. (TUNA), properly filed a statement reporting that it made no shipments of subject merchandise to the United States during the POR. Based on the certification submitted by TUNA and our analysis of U.S. Customs and Border Protection (CBP) information, we preliminarily determine that TUNA had no shipments during the POR.⁴ Commerce finds that it is not appropriate to preliminarily rescind the review with respect to this company, but rather, to complete the review with respect to it and issue appropriate instructions to CBP based on the final results of this review.

Preliminary Results of the Review

As a result of this review, we preliminarily determine that weighted-average dumping margins exist for the respondents for the period March 1, 2016, through August 31, 2017, as follows:

<u>Exporter/ Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
Maquilacero S.A. de C.V.	0.00
Productos Laminados d Monterrey S.A. de C.V.	6.34

Review-Specific Average Rate Applicable to the Following Companies:⁵

<u>Exporter/ Producer</u>	<u>Weighted-Average Dumping Margin (Percent)</u>
Arco Metal S.A. de C.V.	6.34
Forza Steel S.A. de C.V.	6.34
Industrias Monterrey, S.A. de C.V.	6.34
Perfiles y Herrajes LM S.A. de C.V.	6.34

⁴ See TUNA’s Letter re: Heavy Walled Rectangular Welded Carbon Pipes and Tubes from Mexico: Notice of No Sales, dated November 15, 2017. See also Memorandum, “Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico,” dated September 27, 2018.

⁵ This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis* or based entirely on facts available. See section 735(c)(5)(A) of the Act.

PYTCO S.A. de C.V.	6.34
Regiomontana de Perfiles y Tubos S.A. de C.V.	6.34
Ternium S.A. de C.V.	6.34
Tuberia Nacional S.A. de C.V.	*
Tuberia Procarsa S.A. de C.V.	6.34

* No shipments or sales subject to this review.

Disclosure and Public Comment

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days after the date of publication of this notice.⁶ Interested parties may submit case briefs to Commerce no later than 30 days after the date of publication of this notice.⁷ Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the time limit for filing case briefs.⁸ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.⁹ Case and rebuttal briefs should be filed using ACCESS.¹⁰

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically-filed document must be received successfully in its entirety by ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.¹¹ Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties

⁶ See 19 CFR 351.224(b).

⁷ See 19 CFR 351.309(c).

⁸ See 19 CFR 351.309(d).

⁹ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁰ See 19 CFR 351.303.

¹¹ See 19 CFR 351.310(c).

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 20230.¹²

Commerce intends to issue the final results of this administrative review, including the results of its analysis raised in any written briefs, not later than 120 days after the publication date of this notice, pursuant to section 751(a)(3)(A) of the Act, unless otherwise extended.¹³

Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries.

Pursuant to 19 CFR 351.212(b)(1), where Maquilacero and Prolamsa reported the entered value for their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where the respondents did not report entered value, we calculated the entered value in order to calculate the assessment rate. Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. We intend to instruct CBP to take into account the "provisional measures deposit cap," in accordance with 19 CFR 351.212(d).

For the companies which were not selected for individual review, we will assign an assessment rate based on the average¹⁴ of the cash deposit rates calculated for Maquilacero and Prolamsa, excluding any which are *de minimis* or determined entirely on adverse facts available.

¹² See 19 CFR 351.310(d).

¹³ See Section 751(a)(3)(A) of the Act.

¹⁴ This rate will be calculated as discussed in footnote 4, above.

The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹⁵

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: 1) the cash deposit rate for the exporters listed above will be that established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; 2) for previously investigated companies not participating in this review, the cash deposit will continue to be the company-specific rate published for the most recently completed segment; 3) if the exporter is not a firm covered in this review, or the original less-than-fair-value (LTFV)

¹⁵ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and 4) the cash deposit rate for all other manufacturers or exporters will continue to be 4.91 percent, the all-others rate made effective by the LTFV investigation.¹⁶ These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 double antidumping duties.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: October 3, 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.*

¹⁶ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62867 (September 13, 2016).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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- [FR Doc. 2018-21985 Filed: 10/9/2018 8:45 am; Publication Date: 10/10/2018]