



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-830]

Carbon and Certain Alloy Steel Wire Rod from Mexico: Preliminary Affirmative Determination of Circumvention of the Antidumping Duty Order

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that imports of carbon and certain alloy steel wire rod (wire rod) with actual diameters less than 4.75 mm produced and/or exported by Deacero S.A.P.I. de C.V (Deacero) are circumventing the antidumping duty order on wire rod from Mexico.

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

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt, 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) 482-7851.

SUPPLEMENTARY INFORMATION:

Background

On August 31, 2001, Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated, Industries, Inc., and North Star Steel Texas, Inc. filed a petition seeking imposition of antidumping duties on imports of wire rod from Mexico.¹ Following the completion of

¹ See *Notice of Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and*

investigations and affirmative final determinations by Commerce and the U.S. International Trade Commission (ITC), Commerce issued an antidumping order on wire rod from Mexico (*Order*).² On October 1, 2012, pursuant to section 781(c) of the Tariff Act of 1930, as amended (the Act), Commerce determined that wire rod with an actual diameter of 4.75 mm to 5.00 mm produced and/or exported to the United States by Deacero constituted merchandise altered in form or appearance in such minor respects that it should be included within the scope of the *Order*.³ On October 27, 2017, Nucor Corporation (a domestic interested party) (Nucor) filed a circumvention ruling request to determine whether wire rod with an actual diameter less than 4.75 mm produced and/or exported by Deacero to the United States is circumventing the *Order*.⁴ On February 7, 2018, pursuant to section 781(c) of the Act, Commerce initiated an anti-circumvention inquiry on wire rod with actual diameters that are less than 4.75 mm produced and/or exported by Deacero.⁵ For a complete description of the events that followed the initiation of this inquiry, see the Preliminary Decision Memorandum.⁶ A list of topics included in the Preliminary Decision Memorandum is included at the Appendix to this notice. The Preliminary Decision Memorandum 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

Venezuela, 66 FR 50164 (October 2, 2001).

² See *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002) (*Order*).

³ See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 77 FR 59892 (October 1, 2012) (Final Circumvention Determination) and accompanying Issues and Decision Memorandum; see also *Deacero S.A. de C.V. v. United States*, 817 F.3d 1332 (Fed. Cir. 2016) (affirming the Final Circumvention Determination).

⁴ See Nucor's Letter, "Carbon and Certain Alloy Steel Wire Rod from Mexico: Request for Circumvention Ruling," dated October 27, 2018.

⁵ See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Initiation of Anti-Circumvention Inquiry of Antidumping Duty Order*, 83 FR 5405 (February 7, 2018).

⁶ See Affirmative Preliminary Decision Memorandum of Circumvention Concerning Carbon and Certain Alloy Steel Wire Rod from Mexico, dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Central Records Unit, room B8024 of the main Commerce building. In addition, a complete public version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The products covered by the *Order* are wire rod of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

Scope of the Anti-circumvention Inquiry

The products covered by this inquiry are wire rod with an actual diameter less than 4.75 mm and that are produced and/or exported to the United States by Deacero.

Methodology

Commerce is conducting this anti-circumvention inquiry in accordance with section 781(c) of the Act. For a full description of the methodology underlying Commerce's preliminary determination, see the Preliminary Decision Memorandum.

Preliminary Determination

As detailed in the Preliminary Decision Memorandum, we preliminarily determine, pursuant to section 781(c) of the Act, that wire rod with an actual diameter less than 4.75 mm produced and/or exported by Deacero, constitutes merchandise "altered in form or appearance in minor respects" that should be considered subject to the *Order*. Therefore, we preliminarily determine that it is appropriate to include this merchandise within the class or kind of merchandise subject to the *Order* and to instruct U.S. Customs and Border Protection (CBP) to suspend any entries of wire rod with an actual diameter less than 4.75 mm produced and/or

exported by Deacero.

Suspension of Liquidation

As stated above, Commerce has made a preliminary affirmative finding of circumvention of the *Order* with respect to wire rod with an actual diameter less than 4.75 mm produced and/or exported by Deacero. In accordance with section 19 CFR 351.225(l)(2), Commerce will direct CBP to suspend liquidation of entries of wire rod with an actual diameter less than 4.75 mm produced and/or exported by Deacero that were entered, or withdrawn from warehouse, for consumption on or after February 7, 2018, the date of initiation of the anti-circumvention inquiry. Pursuant to 19 CFR 351.225(1)(2), we will also instruct CBP to require a cash deposit of estimated duties equal to 12.56 percent *ad valorem* for each unliquidated entry of wire rod with an actual diameter less than 4.75 mm produced and/or exported by Deacero that was entered, or withdrawn from warehouse, for consumption on or after February 7, 2018.⁷ The suspension of liquidation instructions will remain in effect until further notice.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 21 days after the publication of this preliminary determination in the *Federal Register*, unless the Secretary alters the time limit. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.⁸ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this anti-circumvention inquiry are encouraged to submit with

⁷ See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015–2016*, 83 FR 16832 (April 17, 2018) and accompanying Issues and Decision Memorandum; *Carbon and Certain Alloy Steel Wire Rod from Mexico: Notice of Correction to Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015–2016*, 83 FR 19223 (May 2, 2018).

⁸ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 21 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, D.C., 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Notification to Interested Parties

This determination is issued and published in accordance with sections 781(c) of the Act and 19 CFR 351.225(f).

Dated: October 15, 2018.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Statutory and Regulatory Framework
- V. Prior Anti-Circumvention Determination
- VI. Parameters of the Anti-Circumvention Inquiry
- VII. Arguments from Interested Parties
- VIII. Analysis
- IX. Recommendation

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