



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-911]

Circular Welded Carbon Quality Steel Pipe from the People's Republic of China:

Rescission of Countervailing Duty Administrative Review; 2017

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

SUMMARY: The Department of Commerce (Commerce) is rescinding its administrative review of the countervailing duty order on circular welded carbon quality steel pipe (CWP) from the People's Republic of China (China) for the period of review (POR) January 1, 2017, through December 31, 2017.

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

FOR FURTHER INFORMATION CONTACT: Darla Brown, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1791.

SUPPLEMENTARY INFORMATION:

Background

On July 3, 2018, Commerce published in the *Federal Register* a notice of “Opportunity to Request Administrative Review” of the countervailing duty (CVD) order¹ on circular

¹ See *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 73 FR 42545 (July 22,

welded carbon quality steel pipe from China for the POR.²

On July 31, 2018, Commerce received timely requests from the petitioners³ and from Zekelman Industries (Zekelman), a domestic interested party, to conduct an administrative review of the *CVD Order*.⁴

On September 10, 2018, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), Commerce published in the *Federal Register* a notice of initiation of an administrative review of the *CVD Order*.⁵ The administrative review was initiated with respect to 128 companies, covering the POR January 1, 2017, through December 31, 2017.

On September 25, 2018, Commerce placed on the record information obtained from U.S. Customs and Border Protection (CBP) indicating that there were no reviewable entries of subject merchandise exported by the companies subject to this administrative review during the POR.⁶ On October 17, 2018, Zekelman withdrew its request for review in its entirety.⁷

On November 15, 2018, the petitioners submitted comments regarding alleged discrepancies in the import data on the record.⁸ Specifically, the petitioners claim that, although the results of the CBP data query do not provide evidence of reviewable entries of

2008) (*CVD Order*).

² See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 83 FR 31121 (July 3, 2018).

³ The petitioners in this proceeding are Independence Tube Corporation and Southland Tube, Incorporated.

⁴ See Letter from Petitioners, “Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Request for Administrative Review,” dated July 31, 2018. See also Letter from Zekelman, “Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Request for Administrative Review,” dated July 31, 2018.

⁵ See *Initiation of Countervailing and Countervailing Duty Administrative Reviews*, 83 FR 45596 (September 10, 2018).

⁶ See Memorandum to the File, “Release of Customs Entry Data from U.S. Customs and Border Protection (CBP),” dated September 25, 2018.

⁷ See Letter from Zekelman, “Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Withdrawal of Request for Administrative Review,” dated October 17, 2018.

⁸ See Letter from Petitioners, “Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Comments on Import Data,” dated November 15, 2018 (Petitioners’ November 15 Letter).

subject merchandise during the POR, data from a third-party subscription service that the petitioners placed on the record purportedly show that there were substantial imports of CWP from China during the POR. The petitioners argue that this record information suggests that companies under review could be evading the order by misreporting entry types, and the petitioners urge Commerce to obtain CBP entry documents with respect to the entries of CWP for a subset of 27 companies under review, to determine whether these companies misclassified subject merchandise entries as non-subject merchandise entries.⁹ In their submission, the petitioners identified 27 of the 128 companies for which Commerce initiated this review which they believe produced and/or exported CWP during the POR.

On February 27, 2019, Commerce placed on the record POR entry data from Datamyne, a public data source, for the 27 companies identified by the petitioners in their November 15, 2018, submission.¹⁰ We invited parties to comment on these data and received timely comments from the petitioners.¹¹ In their comments, the petitioners reiterate their concerns that Chinese producers and/or exporters of CWP may be attempting to evade the order by misrepresenting entries.¹²

Rescission of Review

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.¹³ Normally, upon completion

⁹ *Id.* at 8-10.

¹⁰ See Memorandum to the file, "Release of Datamyne Data," dated February 27, 2019.

¹¹ See Letter from Petitioners, "Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Comments on Release of Datamyne Data," dated March 6, 2019.

¹² *Id.* at 6-7.

¹³ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017).

of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period. *See* 19 CFR 351.212(b)(2). Therefore, for an administrative review to be conducted, there must be a reviewable, suspended entry that Commerce can instruct CBP to liquidate at the calculated countervailing duty assessment rate calculated for the review period.¹⁴ Accordingly, in the absence of reviewable, suspended entries of subject merchandise during the POR for any of the 128 companies named in our initiation notice, we are now rescinding this administrative review in accordance with 19 CFR 351.213(d)(3).

Furthermore, in response to the petitioners' claim that companies under review could be evading the *CVD Order* by misreporting entry types, this is a matter within the jurisdiction of CBP, and, hence, any determination as to whether entries have been misclassified must be made by that agency. In light of that, Commerce intends to provide CBP with the petitioners' allegations and relevant documentation from this record.

Notification Regarding Administrative Protective Order

This notice serves as the only 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 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 sanctionable violation.

¹⁴ *See* 19 CFR 351.213(d)(3).

This notice is published in accordance with section 751 of the Act and 19 CFR
351.213(d)(4).

Dated: April 5, 2019.

James Maeder,

Associate Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations

performing the duties of Deputy Assistant Secretary

for Antidumping and Countervailing Duty Operations.

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