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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-844]

Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2016-2017

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

SUMMARY: The Department of Commerce (Commerce) determines that Grupo Simec made sales of steel concrete reinforcing bar (rebar) from Mexico below normal value during the period of review (POR) November 1, 2016 through October 31, 2017, but Deacero S.A.P.I. de C.V. (Deacero) did not.

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

FOR FURTHER INFORMATION CONTACT: Stephanie Moore, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington D.C. 20230; telephone: (202) 482-3692.

SUPPLEMENTARY INFORMATION:

Background

On December 11, 2018, Commerce published the *Preliminary Results*.<sup>1</sup> We invited interested parties to comment on the *Preliminary Results*. For events subsequent to the

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<sup>1</sup> See *Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 63622 (December 11, 2018) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

*Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.<sup>3</sup> On May 14, 2019, we extended the deadline for these final results until July 19, 2019.<sup>4</sup>

### Scope of the Order

Imports covered by the order are shipments of steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade. The merchandise subject to review is currently classifiable under items 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other Harmonized Tariff Schedule of the United States (HTSUS) numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6085, 7228.20.1000, and 7228.60.6000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to the order is dispositive.<sup>5</sup>

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review 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. The Issues and Decision

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<sup>2</sup> See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review; 2016-2017,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memorandum to the Record from 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, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28, 2019. All deadlines in this segment of the proceeding affected by the partial federal government closure have been extended by 40 days.

<sup>4</sup> See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” dated May 14, 2019.

<sup>5</sup> See Issues and Decision Memorandum for a complete description of the Scope of the Order.

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 in the Central Records Unit (CRU), room B8024 of the main 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/index.html>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Results

Based on our analysis of the comments received from parties, we have made changes to the margin calculations of Grupo Simec and Deacero. For Grupo Simec, we included the downstream sales from affiliates that did not pass the arm's-length test, and we corrected an inadvertent programming error.<sup>6</sup> For Deacero, instead of applying its highest home market sales price to unaffiliated customers as partial AFA for one of its affiliate's home market downstream sales prices, as neutral facts available, we have disregarded home market sales to the affiliate in calculating Deacero's margin.<sup>7</sup> As a result of these changes, we determine that Deacero did not make sales of subject merchandise below normal value during the POR.

#### Final Results of the Review

As a result of this review, Commerce calculated a weighted-average dumping margin that is above *de minimis* for Grupo Simec and a zero margin for Deacero for the POR. Therefore, consistent with its practice and the investigation methodology set forth in section 735(c)(5)(A) of

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<sup>6</sup> See Memorandum, "Steel Concrete Reinforcing Bar from Mexico (2016-2017): Sales and Cost of Production Calculation Memorandum for the Final Results of Grupo Simec," dated concurrently with these final results.

<sup>7</sup> See Memorandum, "Steel Concrete Reinforcing Bar from Mexico (2016-2017): Sales and Cost of Production Calculation Memorandum for the Final Results of Deacero S.A.P.I.," dated concurrently with these final results.

the Tariff Act of 1930, as amended (the Act), Commerce assigned the weighted-average dumping margin calculated for Grupo Simec to the seven non-selected companies in these final results, as referenced below.

<b>Producer and/or Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Deacero S.A.P.I. de C.V.	0.00 ( <i>de minimis</i> )
Grupo Simec (Simec International 6 S.A. de C.V., Orge S.A. de C.V., Aceros Especiales Simec Tlaxcala, S.A. de C.V., Fundiciones de Acero Estructurales, S.A. de C.V., Perfiles Comerciales Sigosa, S.A. de C.V., Operadora de Perfiles Sigosa, S.A. de C.V.) <sup>8</sup>	3.65
Ternium Mexico, S.A. de C.V.	3.65
ArcelorMittal Lazaro Cardenas S.A. de C.V.	3.65
Cia Siderurgica De California, S.A. de C.V.	3.65
AceroMex S.A.	3.65
ArcelorMittal Celaya	3.65
ArcelorMittal Cordoba S.A. de C.V.	3.65
Siderurgica Tultitlan S.A. de C.V.	3.65
Talleres y Aceros, S.A. de C.V.	3.65
Grupo Villacero S.A. de C.V.	3.65

#### Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days after publication of these final results in the *Federal Register*, in accordance with section 751(a) of the Act and 19 CFR 351.224(b).

#### Assessment Rates

<sup>8</sup> Commerce previously collapsed Simec International 6 S.A. de C.V. and Orge S.A. de C.V. with Grupo Simec. See *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2014 – 2015*, 82 FR 27233 (June 14, 2017). In this administrative review, Commerce has collapsed Aceros Especiales Simec Tlaxcala, S.A. de C.V., Fundiciones de Acero Estructurales, S.A. de C.V., Perfiles Comerciales Sigosa, S.A. de C.V., and Operadora de Perfiles Sigosa, S.A. de C.V. Industrias CH is affiliated with Grupo Simec, but Commerce is not collapsing the company into the single entity because it is not involved in the production or sale of subject merchandise. See *Grupo Simec Affiliation and Collapsing Memorandum*, dated December 3, 2018; see also Memorandum, “Administrative Review of Antidumping Duty Order on Steel Concrete Reinforcing Bar from Mexico: Business Proprietary Analysis Memorandum Pertaining to the Collapsing Decision for Grupo Simec in the Final Results,” dated concurrently with these final results.

Commerce shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.<sup>9</sup> For any individually examined respondent whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the totaled entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), Commerce will issue instructions directly to CBP to assess antidumping duties on appropriate entries. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

In accordance with Commerce's "automatic assessment" practice,<sup>10</sup> for entries of subject merchandise during the POR produced by each respondent for which it did not know that its merchandise was destined for the United States, 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.

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

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<sup>9</sup> In these final results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

<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).

### 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)(C) of the Act: (1) the cash deposit rate for respondents noted above will be the rate established in the final results of this administrative review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(I), in which case the cash deposit rate will be zero; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (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 recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 20.58 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 also serves as a final 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 the POR. Failure to comply with this requirement

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<sup>11</sup> See *Steel Concrete Reinforcing Bar from Mexico: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 79 FR 54967 (September 15, 2014).

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 orders (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.

#### Notice to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221.

Dated: July 16, 2019.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

## Appendix

### List of Topics Discussed in the Final Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Changes Made Since the Preliminary Results
- V. Discussion of the Issues

#### *General Issue*

Comment 1: Whether ArcelorMittal Celaya Should be Included in the Liquidation Instructions

#### *Deacero Issues*

- Comment 2: Whether Commerce Should Continue to Apply Partial AFA to Deacero for Not Reporting Downstream Resales of Rebar Made by Its Home Market Affiliate
- Comment 3: Whether Commerce Properly Accounted for Deacero's Non-Prime Sales
- Comment 4: Whether Commerce Mistakenly Performed the Arm's-Length Test on Deacero Sales

#### *Grupo Simec Issues*

- Comment 5: Whether Commerce Should Continue Collapsing Sigosa with AEST and FUNACE
- Comment 6: Whether Commerce Should Correct an Error in Grupo Simec's Margin Calculation Program

- VI. Recommendation

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