



Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-915]

Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Final Results of the Expedited Second Five-Year Sunset Review of the Countervailing Duty Order

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

SUMMARY: As a result of this expedited sunset review, the Department of Commerce (Commerce) finds that revocation of this countervailing duty (CVD) order would be likely to lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the ‘Final Results of Review’ section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Ian Hamilton, 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) 482-4798.

SUPPLEMENTARY INFORMATION:

Background

On August 5, 2008, Commerce published its CVD order on light-walled rectangular pipe and tube from the People's Republic of China (China) in the *Federal Register*.¹ On August 30, 2012, Commerce implemented its revised countervailable subsidy rates pursuant to the findings in the section 129 proceeding of the Uruguay Round Agreements Act (URAA).² On June 23, 2014, at the conclusion of the first sunset review, Commerce issued a notice of continuation of the order.³

On May 1, 2019, Commerce published the notice of initiation of the second sunset review of the countervailing duty order on light-walled rectangular pipe and tube from the China, in accordance with section 751(c) of the Tariff Act of 1930, as amended (the Act).⁴ Commerce received a notice of intent to participate from Atlas Tube, a division of Zekelman Industries, Bull Moose Tube Co., California Steel and Tube, Hannibal Industries, Maruichi American Corporation, Searing Industries, and Vest, Inc. (domestic interested parties) and from Independence Tube Corporation, a Nucor company (Independence Tube) and Southland Tube, Incorporated, a Nucor company (Southland Tube) (collectively, Nucor Pipe Mills), within the deadline specified in 19 CFR 351.218(d)(1)(i).^{5, 6} Each of the companies claimed interested

¹ See *Notice of Countervailing Duty Order: Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 73 FR 45405 (August 5, 2008).

² See *Implementation of Determinations Under Section 129 of the Uruguay Round Agreements Act: Certain New Pneumatic Off-the-Road Tires; Circular Welded Carbon Quality Steel Pipe; Laminated Woven Sacks; and Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 77 FR 52683 (August 30, 2012).

³ See *Light-Walled Rectangular Pipe and Tube from Mexico, Turkey, the People's Republic of China, and the Republic of Korea: Continuation of Antidumping and Countervailing Duty Orders*, 79 FR 35522 (June 23, 2014).

⁴ See *Initiation of Five-Year (Sunset) Review*, 84 FR 18477 (April 1, 2019).

⁵ See Domestic Interested Parties Letter, "Notice of Intent to Participate in Second Five-Year Review of the Countervailing Duty Order on Light-Walled Rectangular Pipe and Tube from China," dated May 13, 2019; see also, Nucor Pipe Mills Letter, "*Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Notice of Intent to Participate*," dated May 16, 2019.

⁶ On July 15, 2019, Commerce was notified of the inadvertent omission of Wheatland Tube Company, a division of Zekelman Industries, from the notice of appearance, application for administrative protective orders, and notice of

party status under section 771(9)(C) of the Act, as a domestic producer of light-walled rectangular pipe and tube.

Commerce received a substantive response from domestic producers⁷ within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no substantive response from any other domestic or interested parties in this proceeding, nor was a hearing requested.

On July 2, 2019, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.⁸ As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of this countervailing duty order.

Scope of the Order

The merchandise subject to the order is certain welded carbon quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm. The merchandise subject to the order is currently classifiable under items 7306.61.50.00 and 7306.61.70.60 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs

intent to participate, although it was included in the domestic industry's substantive response dated May 31, 2019. *See* Domestic Interested Parties Letter, "Second Five-Year Reviews of the Antidumping {sic} Duty Order on Light-Walled Rectangular Pipe and Tube from China, Korea, Mexico, and Turkey: Errata," dated July 15, 2019.

⁷ *See* Domestic Producers Letter, "Light-Walled Rectangular Pipe and Tube from the People's Republic of China, Second Review: Substantive Response to Notice of Initiation," dated May 31, 2019, and filed on behalf of Atlas Tube; Bull Moose Tube Co.; California Steel and Tube; Hannibal Industries; Independence Tube Corp., a Nucor company; Maruichi American Corporation's Searing Industries, Inc.; Southland Tube, Inc., a Nucor company; Vest, Inc.; and Wheatland Tube Company (collectively Domestic Producers).

⁸ *See* Commerce Letter, "Sunset Reviews Initiated on May 1, 2019," dated July 2, 2019.

purposes, the written description is dispositive. For a full description of the scope of the order, *see* the Issues and Decision Memorandum.⁹

Analysis of Comments Received

All issues raised in this sunset review are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice. The issues discussed in the Issues and Decision Memorandum are the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rates likely to prevail if this order were revoked. The Issues and Decision Memorandum is a public document and is on file electronically via the Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Commerce building. A list of topics discussed in the Issues and Decision Memorandum is included as an Appendix to this notice. 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 Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b)(1) and (3) of the Act, we determine that revocation of the countervailing duty order on light-walled rectangular pipe and tube from the China would be likely to lead to continuation or recurrence of a countervailable subsidy at the rates listed below:

⁹ *See* Memorandum, "Issues and Decision Memorandum for the Expedited Second Sunset Review of the Countervailing Duty Order on Light-Walled Rectangular Pipe and Tube from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Manufacturers/producer/exporter	Net Countervailable Subsidy (percent)
Zhangjiagang Zhongyuan Pipe-making Co., Ltd., Jiangsu Qiyuan Group Co., Ltd.	15.28
Qingdao Xiangxing Steel Pipe Co., Ltd.	200.58
Kunshan Lets Win Steel Machinery Co., Ltd.	2.20
All-Others	15.28

Administrative Protective Order (APO)

This notice also serves as the only reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

This five-year (sunset) review and notice are in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: August 23, 2019.

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

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. History of the Order
- V. Legal Framework
- VI. Discussion of the Issues
 - 1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
 - 2. Net Countervailable Subsidy Likely to Prevail
 - 3. Nature of the Subsidies
- VII. Final Results of Sunset Review
- VIII. Recommendation

[FR Doc. 2019-18830 Filed: 8/29/2019 8:45 am; Publication Date: 8/30/2019]