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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-570-909]**

**Certain Steel Nails from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review**

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

**SUMMARY:** On September 17, 2018, the Department of Commerce (Commerce) published a notice of initiation and the preliminary results of the changed circumstances review (CCR) of the antidumping duty (AD) order on certain steel nails (nails) from the People's Republic of China (China) in the *Federal Register* regarding certain scope exclusion language. Commerce has adopted the revised scope exclusion language in these final results.

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

**FOR FURTHER INFORMATION CONTACT:** Matthew Renkey, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2312.

## SUPPLEMENTARY INFORMATION:

### Background

On August 1, 2008, Commerce published the AD order on nails from China.<sup>1</sup> On April 21, 2011, in response to a request submitted by the petitioner,<sup>2</sup> Commerce published an initiation and preliminary results of a CCR, in which Commerce preliminarily revoked the *Order* with respect to four types of steel nails based on the petitioner's expressed lack of interest in antidumping duty relief with respect to such imports.<sup>3</sup> On May 24, 2011, Commerce published its final results for the CCR revoking the *Order* with respect to the aforementioned four types of steel nails, unchanged from the preliminary results.<sup>4</sup>

On March 22, 2017, the petitioner requested that Commerce initiate another CCR to clarify language regarding the four types of steels nails that were excluded from the scope of the *Order* in the *2011 CCR Final Results*.<sup>5</sup> On September 17, 2018, Commerce published a notice of initiation and preliminary results of the CCR, and preliminarily determined it appropriate to revise the scope exclusion language which was adopted in the *2011 CCR Final Results* to align the exclusion language with the intent of the *2011 CCR Final Results*.<sup>6</sup>

In accordance with 19 CFR 351.309, we invited parties to comment on our *Initiation and Preliminary Results*. On September 27, 2018, PrimeSource Building Products, Inc.

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<sup>1</sup> See *Notice of Antidumping Duty Order: Certain Steel Nails from the People's Republic of China*, 73 FR 44961 (August 1, 2008) (*Order*).

<sup>2</sup> The petitioner is Mid Continent Steel & Wire, Inc. (Mid Continent).

<sup>3</sup> See *Certain Steel Nails from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 76 FR 22369 (April 21, 2011).

<sup>4</sup> See *Certain Steel Nails from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 76 FR 30101 (May 24, 2011) (*2011 CCR Final Results*).

<sup>5</sup> See Petitioner's Letter, "Request for Changed Circumstances Review," dated March 22, 2017.

<sup>6</sup> See *Certain Steel Nails from the People's Republic of China: Initiation and Expedited Preliminary Results of Antidumping Duty Changed Circumstances Review*, 83 FR 46916 (September 17, 2018) (*Initiation and Preliminary Results*).

(PrimeSource) submitted a timely filed case brief. On October 4, 2018, the petitioner submitted a timely rebuttal brief pursuant to our regulations.

### Scope of the Order

The merchandise covered by the *Order* includes certain steel nails having a shaft length up to 12 inches. Certain steel nails subject to the *Order* are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55, 7317.00.65, 7317.00.75, and 7907.00.6000.<sup>7</sup> While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.<sup>8</sup>

### Analysis of Comments Received

We addressed all issues raised in the case and rebuttal briefs by parties to this review in the Issues and Decision Memorandum (I&D Memo).<sup>9</sup> Attached to this notice, in Appendix II, is a list of the issues which parties raised. The I&D Memo is a public document and on file in the Central Records Unit (CRU), Room B8024 of the main Commerce building, as well as electronically via 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 CRU. In addition, a complete version of the I&D Memo can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed I&D Memo and the electronic versions of the I&D Memo are identical in content.

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<sup>7</sup> Commerce added the Harmonized Tariff Schedule category 7907.00.6000, "Other articles of zinc: Other," to the language of the *Order*. See Memorandum, "Certain Steel Nails from the People's Republic of China: Cobra Anchors Co. Ltd. Final Scope Ruling," dated September 19, 2013.

<sup>8</sup> For a full description of the scope of the *Order*, see Attachment I.

<sup>9</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of Changed Circumstances Review: Certain Steel Nails from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice.

### Final Results of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce determines that changed circumstances exist sufficient to warrant revisions to the scope exclusion language adopted in the *2011 CCR Final Results* to align with the intent of the *2011 CCR Final Results*. The full description of the scope of the *Order*, including the revised exclusion language, is at Attachment I.

### Cash Deposit Requirements and Assessment

Effective upon publication of the final results of this changed circumstances review, the revised exclusion language will apply to all shipments of the subject merchandise from China, entered, or withdrawn from warehouse, for consumption on or after the publication date of the *Initiation and Preliminary Results*, September 17, 2018, and that remain unliquidated as of the date of publication of the final results of this determination. For any entries which are not subject to the *Order*, Commerce will instruct U.S. Customs and Border Protection (CBP) to liquidate without regard to applicable antidumping duties, all unliquidated entries of nails that meet the revised exclusion language, and to refund any estimated antidumping duties collected on such merchandise entered, or withdrawn from warehouse, for consumption on or after September 17, 2018, the publication of the *Initiation and Preliminary Results* in accordance with section 778 of the Act. For all entries of merchandise subject to the *Order* pursuant to the revised exclusions, Commerce will instruct CBP to suspend liquidation and require estimated cash deposits at the applicable rate. These deposit requirements, when imposed, shall remain in effect until further notice.

Commerce intends to issue appropriate instructions directly to CBP within 15 days of publication of these final results of review.

Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclose under APO in accordance with 19 CFR 351.305(a)(3). 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 terms of APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results and notice in accordance with sections 751(b)(1) and 777(i) of the Act, and 19 CFR 351.216 and 19 CFR 351.222.

Dated: September 13, 2019.

**James Maeder,**

*Deputy Assistant Secretary*

*for Antidumping and Countervailing Duty Operations.*

## Attachment I

### Revised Scope of the Order

The merchandise covered by this order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one-piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted shank styles. Screw-threaded nails subject to this order are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Finished nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire. Certain steel nails subject to this order are currently classified under the Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.55, 7317.00.65, 7317.00.75, and 7907.00.6000.<sup>10</sup>

Excluded from the scope are steel roofing nails of all lengths and diameter, whether collated or in bulk, and whether or not galvanized. Steel roofing nails are specifically enumerated and identified in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, inclusive of the following modifications: 1) Non-collated (*i.e.*, hand-driven or bulk), steel nails as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: having a bright or galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 4”, inclusive; an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; 2) Wire collated steel nails, in coils, as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: having a galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 1.75”, inclusive, an actual shank diameter of 0.116” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; and 3) Non-collated (*i.e.*, hand-driven or bulk), as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: steel nails having a convex head (commonly known as an umbrella head), a smooth or spiral shank, a galvanized finish, an actual length of 1.75” to 3”, inclusive; an actual shank diameter of 0.131” to 0.152”, inclusive; and an actual head diameter of 0.450” to 0.813”, inclusive.

Also excluded from the scope are the following steel nails: Non-collated (*i.e.*, hand-driven or bulk), two-piece steel nails having plastic or steel washers (caps) already assembled to the nail, having a bright or galvanized finish, a ring, fluted or spiral shank, an actual length of 0.500” to 8”, inclusive; and an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual washer or cap diameter of 0.900” to 1.10”, inclusive.

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<sup>10</sup> Commerce added the Harmonized Tariff Schedule category 7907.00.6000, “Other articles of zinc: Other,” to the language of the AD order on Nails from China. See *Certain Steel Nails from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 18816, 18816 n.5 (April 5, 2018).

Also excluded from the scope of this order are corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side. Also excluded from the scope of this order are fasteners suitable for use in powder-actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30. Also excluded from the scope of this order are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

Also excluded from the scope of this order are certain brads and finish nails that are equal to or less than 0.0720 inches in shank diameter, round or rectangular in cross section, between 0.375 inches and 2.5 inches in length, and that are collated with adhesive or polyester film tape backed with a heat seal adhesive. Also excluded from the scope of this order are fasteners having a case hardness greater than or equal to 50 HRC, a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

## **Attachment II**

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

- I. Summary
- II. Background
- III. Effective Date
- IV. Discussion of the Issues
  - Comment 1: Whether CCR is an Unlawful Expansion of the Scope
  - Comment 2: Whether the Scope Language Resulting from the 2011 CCR Needs to Be Revised to Prevent the Misuse of the Exclusion Language
  - Comment 3: Policy Considerations
- V. Recommendation

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