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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-844]

Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Deacero S.A.P.I de C.V. (Deacero) and Grupo Simec made sales of subject merchandise at less than normal value during the November 1, 2017 through October 31, 2018 period of review (POR). We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Stephanie Moore (Deacero) or George McMahon (Grupo Simec), 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) 482-3692 or (202) 482-1167, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 6, 2014, Commerce published the antidumping duty order on steel concrete reinforcing bar (rebar) from Mexico in the *Federal Register*.¹ On February 6, 2019,

¹ See *Steel Concrete Reinforcing Bar from Mexico: Antidumping Duty Order*, 79 FR 65925 (November 6, 2014) (*Order*).

pursuant to section 751(a)(1) of the Tariff Act of 1930, as amended (the Act), Commerce initiated an administrative review of the *Order*.²

Commerce initiated this administrative review covering the following companies: AceroMex S.A., Aceros Especiales Simec Tlaxcala, S.A. de C.V. (AEST), Arcelor Mittal, ArcelorMittal Celaya, ArcelorMittal Cordoba S.A. de C.V., ArcelorMittal Lazaro Cardenas S.A. de C.V., Cia Siderurgica De California, S.A. de C.V., Compania Siderurgica de California, S.A. de C.V., DE ACERO SA. DE CV., Deacero, S.A.P.I. de C.V, Grupo Simec, Grupo Villacero S.A. de C.V., Industrias CH, Orge S.A. de C.V. (Orge), Siderurgica Tultitlan S.A. de C.V., Simec International 6 S.A. de C.V. (Simec 6), Talleres y Aceros, S.A. de C.V., and Ternium Mexico, S.A. de C.V. On March 1, 2019, we limited the number of respondents selected for individual examination in this administrative review to Deacero and Grupo Simec.³ We did not select the remaining companies⁴ for individual examination, and these companies remain subject to this administrative review.

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 28, 2019.⁵ On July 16, 2019, we extended the deadline for the preliminary results to January 9,

² See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 2159 (February 6, 2019) (*Initiation Notice*).

³ See Memorandum, “Antidumping Duty Administrative Review of Steel Concrete Reinforcing Bar from Mexico; 2017-2018, Selection of Respondents for Individual Examination,” dated March 1, 2019.

⁴ We previously collapsed, or found affiliated, 5 of the 18 firms listed in the *Initiation Notice* (i.e., AEST, Grupo Simec, Industrias CH, Orge, and Simec 6) into the single entity “Grupo Simec.” Commerce has collapsed several additional companies into the single entity, “Grupo Simec” which are identified in the rates section below. Furthermore, the petitioner requested a review of DEACERO SA. DE CV. and Deacero S.A.P.I. CV. However, in the original investigation, DEACERO SA. DE CV.’s name was changed to Deacero S.A.P.I. CV. Therefore, consistent with the legal name change stated in the *LTFV Preliminary Determination* of the original investigation, we are treating the predecessor company name and Deacero’s current name as one and the same. See *Steel Concrete Reinforcing Bar From Mexico: Preliminary Determination of Sales at Less Than Fair Value, Preliminary Affirmative Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 22802 (April 24, 2014) (*LTFV Preliminary Determination*).

⁵ See Memorandum, “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28,

2020.⁶ For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁷ A list of topics included in the Preliminary Decision Memorandum is included as the appendix to this notice.

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. For a full description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(2) of the Act. Constructed export price was calculated in accordance with section 772 of the Act. Normal value was calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our preliminary results, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via

2019. All deadlines in this segment of the proceeding have been extended by 40 days. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day.

⁶ *See* Memorandum, "Steel Concrete Reinforcing Bar from Mexico: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review; 2017-2018," dated July 16, 2019.

⁷ *See* Memorandum, "Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review: Steel Concrete Reinforcing Bar from Mexico, 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

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 Central Records Unit, Room B-8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as the appendix to this notice.

Rate for Non-Selected Companies

Generally, when calculating margins for non-selected respondents, Commerce looks to section 735(c)(5) of the Act for guidance, which provides instructions for calculating the all-others margin in an investigation. Section 735(c)(5)(A) of the Act provides that when calculating the all-others margin, Commerce will exclude any zero and *de minimis* weighted-average dumping margins, as well as any weighted-average dumping margins based on total facts available. Accordingly, Commerce's usual practice has been to average the margins for selected respondents, excluding margins that are zero, *de minimis*, or based entirely on facts available.

In this review, we calculated a weighted-average dumping margin of 7.25 percent for Deacero and 6.74 percent for Grupo Simec. In accordance with section 735(c)(5)(A) of the Act, Commerce assigned the weighted-average of these two calculated weighted-average dumping margins, 7.11 percent, to the 11 non-selected companies in these preliminary results. The rate calculated for the 11 non-selected companies is a weighted-average percentage margin

which is calculated based on the publicly ranged U.S. values of the two reviewed companies with an affirmative antidumping duty margin.⁸

Preliminary Results of the Review

We preliminarily determine the following weighted-average dumping margins exist for the POR:

Producer and/or Exporter	Weighted-Average Dumping Margin (percent)
Deacero S.A.P.I de C.V.	7.25
Grupo Simec (Simec Internacional 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., Operadora de Perfiles Sigosa, S.A. de C.V., Simec International, S.A. de C.V., Simec Internacional 7, S.A. de C.V., Grupo Chant, S.A.P.I. de C.V., and Siderúrgicos Noroeste, S.A. de C.V.) ⁹	6.75
Aceromex S.A.	7.11
Arcelor Mittal	7.11
ArcelorMittal Celaya	7.11
ArcelorMittal Cordoba S.A. de C.V.	7.11
ArcelorMittal Lazaro Cardenas S.A. de C.V.	7.11
Cia Siderurgica De California, S.A. de C.V.	7.11

⁸ See Memorandum, “Steel Concrete Reinforcing Bar from Mexico: Margin for Respondents Not Selected for Individual Examination,” dated concurrently with this notice.

⁹ In the 2014-2015 Review, Commerce collapsed Orge S.A. de C.V. (Orge), Compania Siderurgica del Pacifico S.A. de C.V. (Siderurgica Pacifico), Grupo Chant S.A.P.I. de C.V. (Chant), RRLC S.A.P.I. de C.V. (RRLC), Siderurgica del Occidente y Pacifico S.A. de C.V. (Siderurgica Occidente), Simec Internacional 6 S.A. de C.V. (Simec 6), Simec Internacional 7 S.A. de C.V. (Simec 7), and Simec Internacional 9 S.A. de C.V. (Simec 9) into the single entity “Grupo Simec.” See *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2014 – 2015*, 82 FR 27233 (June 14, 2017) (2014-2015 Review). In the 2016-2017 Review, Commerce collapsed AEST, Fundiciones de Acero Estructurales, S.A. de C.V. (FUNACE), Perfiles Comerciales Sigosa, S.A. de C.V. (Perfiles), and Operadora into the single entity “Grupo Simec,” which included Simec 6 and Orge. See *Steel Concrete Reinforcing Bar from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2016–2017*, 83 FR 63622 (December 11, 2018), and Preliminary Decision Memorandum at 5; unchanged in *Steel Concrete Reinforcing Bar from Mexico: Final Results of Antidumping Duty Administrative Review; 2016–2017*, 84 FR 35599 (July 24, 2019) (2016-2017 Review).

In this administrative review, Commerce is preliminarily collapsing Siderúrgicos Noroeste, S.A. de C.V. and Simec International with Simec 6, Orge, AEST, FUNACE, Operadora, Simec 7, and Chant in the single entity, “Grupo Simec.” Consistent with the 2016-2017 Review, we find that 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 concurrently with this notice.

Compania Siderurgica de California, S.A. de C.V. ¹⁰	7.11
Grupo Villacero S.A. de C.V.	7.11
Siderurgica Tultitlan S.A. de C.V.	7.11
Talleres y Aceros, S.A. de C.V.	7.11
Ternium Mexico, S.A. de C.V.	7.11

Assessment Rate

Upon issuance of the final results, Commerce shall determine, and Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries covered by this review. If the weighted-average dumping margin for Deacero or Grupo Simec is not zero or *de minimis* (i.e., less than 0.5 percent), we will calculate importer-specific *ad valorem* antidumping duty assessment rates based on the ratio of the total amount of dumping calculated for each importer’s examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).¹¹ If the weighted-average dumping margin for Deacero or Grupo Simec is zero or *de minimis* in the final results, or an importer-specific assessment rate is zero or *de minimis* in the final results, we will instruct CBP not to assess antidumping duties on any of their entries in accordance with the *Final Modification for Reviews*.¹²

In accordance with Commerce’s assessment practice, 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 instructions to CBP 15 days after publication of the final results of this review.

¹⁰ In the *Initiation Notice*, Commerce inadvertently transcribed the requested company name as “Compañia Siderurgica de California, S.A. de C.V.” The correct spelling of this company name is listed in this rate table.

¹¹ In these preliminary 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) (*Final Modification for Reviews*).

¹² *Id.*, 77 FR at 8102.

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 investigation, but the producer is, then 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 less-than-fair-value investigation.¹³ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure

We intend to disclose the calculations performed in these preliminary results to parties in this proceeding within five days of the date of publication of this notice.¹⁴

¹³ 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).

¹⁴ See 19 CFR 351.224(b).

Public Comment

Pursuant to 19 CFR 351.309(c)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.¹⁵ However, Commerce intends to conduct verification of the questionnaire responses submitted by Grupo Simec after the preliminary results. Thus, Commerce will subsequently notify parties of the case brief and rebuttal brief deadlines. Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹⁶ All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the established deadline.

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, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of 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, NW, Washington, DC 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.

¹⁵ See 19 CFR 351.309(d).

¹⁶ See 19 CFR 351.309(c)(2) and (d)(2), and 19 CFR 351.303 (for general filing requirements).

We intend to issue the final results of this administrative review, including the results of our analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and increase the subsequent assessment of the antidumping duties.

Notification to Interested Parties

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(h)(1).

Dated: January 9, 2020.

Jeffrey I. Kessler,
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. Margin for Companies Not Selected for Individual Examination
- V. Affiliation and Collapsing
- VI. Discussion of the Methodology
- VII. Recommendation

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