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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-013]

Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Results of the Expedited First 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 sunset review, the Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on carbon and certain alloy steel wire rod (wire rod) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of countervailable subsidies 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 January 8, 2015, Commerce published its CVD order on wire rod from China in the *Federal Register*.<sup>1</sup> On December 2, 2019, Commerce published the notice of initiation of the

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<sup>1</sup> See *Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 1018 (January 8, 2015) (*Order*).

first sunset review of the *Order*,<sup>2</sup> pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>3</sup> Commerce received a notice of intent to participate from Charter Steel, Commercial Metals Company, EVRAZ Rocky Mountain Steel, Liberty Steel USA, Nucor Corporation, and Optimus Steel LLC (collectively, domestic interested parties), within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>4</sup> Each claimed interested party status under section 771(9)(C) of the Act, as domestic producers of wire rod in the United States.

Commerce received a substantive response from the domestic interested parties<sup>5</sup> 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 January 22, 2020, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.<sup>6</sup> 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 *Order*.

### Scope of the *Order*

The merchandise covered by this *Order* is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted

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<sup>2</sup> See *Order*. We applied subsidy rates of 193.31 percent to Benxi Steel (comprised of: Benxi Beiyong Iron & Steel Group Import & Export Corp.; Benxi Beiyong Iron & Steel (Group) Co., Ltd.; Benxi Steel Group Corporation; Beitai Iron & Steel (Group) Co., Ltd.; Benxi Northern Steel Rolling Co., Ltd.; Benxi Beifang Gaosu Steel Wire Rod Co., Ltd.; Benxi Beitai Gaosu Steel Wire Rod Co., Ltd.; Benxi Northern Steel Co., Ltd.; Benxi Beifang Second Rolling Co., Ltd.; Benxi Beitai Ductile Iron Pipes Co., Ltd.; Benxi Iron and Steel (Group) Metallurgy Co., Ltd.; Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.; Benxi Iron & Steel (Group) Co., Ltd.; Bei Tai Iron and Steel Group Imp. And Exp. (Dalian) Co., Ltd.; and Bengang Steel Plate Co., Ltd.); 178.46 percent to Hebei Iron & Steel Co., Ltd. Tangshan Branch; and 185.89 percent to all others. *Id.*, 80 FR at 1019.

<sup>3</sup> See *Initiation of Five-Year (Sunset) Review*, 84 FR 65968 (December 2, 2019).

<sup>4</sup> See Domestic Interested Parties' Letter, "Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Notice of Intent to Participate," dated December 17, 2019.

<sup>5</sup> See Domestic Interested Parties' Letter, "Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Substantive Response," dated January 2, 2020.

<sup>6</sup> See Commerce's Letter, "Sunset Reviews Initiated on December 2, 2019," dated January 22, 2020.

physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products subject to this *Order* are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise covered by the *Order* is dispositive. For a complete description of the scope of the *Order*, *see* the accompanying Issues and Decision Memorandum.<sup>7</sup>

#### Analysis of Comments Received

All issues raised in this sunset review are addressed in the Issues and Decision Memorandum. A list of topics discussed in the Issues and Decision Memorandum is included as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via the Enforcement and Compliance's Antidumping and Countervailing

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<sup>7</sup> *See* Memorandum, "Issues and Decision Memorandum for the Expedited First Sunset Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod Oxide from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

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. 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 and electronic versions of the Issues and Decision Memorandum are identical in content.

Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, we determine that revocation of the CVD order on wire rod from China would be likely to lead to continuation or recurrence of countervailable subsidies at the following rates:

<b>Manufacturers/Producers/Exporters</b>	<b>Net Countervailable Subsidy (percent)</b>
Benxi Steel	193.31
Hebei Iron & Steel Co., Ltd. Tangshan Branch	178.46
All Others	185.89

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

We are issuing and publishing the final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act, and 19 CFR 351.218.

Dated: March 24, 2020.

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. History of the Order
  - IV. Scope 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 Rates Likely to Prevail
    - 3. Nature of the Subsidies
  - VII. Final Results of Sunset Review
  - VIII. Recommendation
- [FR Doc. 2020-06549 Filed: 3/27/2020 8:45 am; Publication Date: 3/30/2020]