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DEPARTMENT OF COMMERCE

International Trade Administration

[A-583-854]

Certain Steel Nails from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2018-2019

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain steel nails from Taiwan were sold in the United States at less than normal value during the period of review (POR), July 1, 2018 to June 30, 2019. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Irene Gorelik, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6905.

SUPPLEMENTARY INFORMATION:

Background

These preliminary results of review are issued in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). On September 9, 2019, in accordance with section 751(a) of the Act and 19 CFR 351.221(c)(1)(i), Commerce published the notice of initiation for the administrative review, covering 84 companies.¹ On October 22, 2019, Commerce selected as

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 47242 (September 9, 2019).

mandatory respondents, Bonuts Hardware Logistics Co., LLC (Bonuts) and Create Trading Co., Ltd., (Create Trading), the two companies accounting for the largest volume of exports in the U.S. Customer and Border Protection (CBP) data.² As Bonuts did not respond to Commerce's questionnaire, or request any extensions to file its responses, and Commerce excused Create Trading from responding to the questionnaire, Commerce selected an additional respondent to individually examine. Subsequently, on January 17, 2020, Commerce selected the next largest exporter, by volume, PT Enterprise, Inc. (PT Enterprise) and its affiliated producer Pro-Team Coil Nail Enterprise, Inc. (Pro-Team) (collectively, PT),³ as a replacement respondent for individual examination.⁴

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁵ The Preliminary 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 to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at

² See Memorandum, "Administrative Review of Certain Steel Nails from Taiwan: Respondent Selection," dated October 22, 2019.

³ In a prior segment of the proceeding, Commerce determined that Pro-Team and PT Enterprise comprise a single entity, and we find no new information in this segment of the proceeding that contradicts that finding. *See Certain Steel Nails from Taiwan: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Administrative Review; 2015-2016*, 82 FR 36744 (August 7, 2017) and accompanying Preliminary Decision Memorandum, unchanged in *Certain Steel Nails from Taiwan: Final Results of Antidumping Duty Administrative Review and Partial Rescission of Administrative Review; 2015-2016*, 83 FR 6163 (February 13, 2018). Accordingly, we have preliminarily continued to treat PT Enterprise and Pro-Team as a single entity.

⁴ See Memorandum, "Administrative Review of Certain Steel Nails from Taiwan: Selection of Additional Mandatory Respondent," dated January 17, 2020.

⁵ See Memorandum, "Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Certain Steel Nails from Taiwan; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order⁶

The merchandise covered by this order is certain steel nails from Taiwan. The certain steel nails subject to the order are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to this order also may be classified under HTSUS subheadings 7907.00.60.00, 8206.00.00.00 or other HTSUS subheadings. Although the HTSUS numbers are provided for convenience and for customs purposes, the written product description, available in the Preliminary Decision Memorandum, remains dispositive.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Act. For a full description of the methodology underlying the preliminary results, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

Commerce received no shipment certifications from five companies: Astrotech Steels Private Limited, Jinhai Hardware Co., Ltd., Region International Co., Ltd., Region Industries,

⁶ *See Certain Steel Nails from the Republic of Korea, Malaysia, the Sultanate of Oman, Taiwan, and the Socialist Republic of Vietnam: Antidumping Duty Orders*, 80 FR 39994 (July 13, 2015) (*Order*).

and Region System Sdn Bhd.⁷ To confirm these companies' no-shipment claims, Commerce issued a no-shipment inquiry to CBP and received no contradictory information.⁸ Therefore, we preliminarily determine that these five companies did not have any shipments of subject merchandise during the POR. Consistent with Commerce's practice, we will not rescind the review with respect to these companies, but, rather, will complete the review and issue instructions based on the final results.⁹

Preliminary Determination of No Reviewable Entries

As noted above, Commerce selected Create Trading as a mandatory respondent. Create Trading reported that it had no reviewable sales because its unaffiliated producers had knowledge of the final destination of the subject merchandise that they produced and sold to Create Trading, and which Create Trading resold to U.S. customers during the POR. Create Trading provided sales documentation from its unaffiliated producers as evidence in support of its claim.¹⁰ Because the evidence on the record demonstrates that Create Trading's unaffiliated suppliers had knowledge that the final destination of the subject merchandise was to customers in the United States, we find that Create Trading had no reviewable sales of subject merchandise during the POR. We intend to instruct CBP at the final results to liquidate any existing entries of

⁷ See certifications of no shipments filed by: (1) Astrotech Steels Private Limited, dated October 1, 2019; (2) Jinhai Hardware Co., Ltd., dated October 9, 2019; and (3) Region System Sdn Bhd; (4) Region Industries Co., Ltd.; and (5) Region International Co., Ltd., dated October 9, 2019.

⁸ See No Shipment Inquiry, Message 9289301 (ACCESS Barcode 3900308-01).

⁹ See, e.g., *Certain Frozen Warmwater Shrimp from Thailand; Preliminary Results of Antidumping Duty Administrative Review, Partial Rescission of Review, Preliminary Determination of No Shipments; 2012-2013*, 79 FR 15951, 15952 (March 24, 2014), unchanged in *Certain Frozen Warmwater Shrimp from Thailand: Final Results of Antidumping Duty Administrative Review, Final Determination of No Shipments, and Partial Rescission of Review; 2012-2013*, 79 FR 51306, 51307 (August 28, 2014).

¹⁰ See Create Trading's Letter, "Statement of No Sales to the United States," dated November 12, 2019, at Exhibits 1 and 2.

merchandise produced by Create Trading's unaffiliated producers and exported by Create Trading at the rate applicable to the unaffiliated producers, *i.e.*, the all-others rate.¹¹

Facts Available

Pursuant to section 776(a) of the Act, Commerce is preliminarily relying upon facts otherwise available to assign estimated dumping margins to Bonuts and PT because both respondents withheld necessary information that was requested by Commerce, thereby significantly impeding the conduct of the review. Further, Commerce preliminarily determines that both Bonuts and PT failed to cooperate by not acting to the best of their abilities to comply with requests for information and, thus, Commerce is applying an adverse inference in selecting among the facts available, in accordance with section 776(b) of the Act. For a full description of the methodology underlying our conclusions regarding the application of adverse facts available (AFA), *see* the Preliminary Decision Memorandum.

Rate for Non-Selected Companies

In accordance with the U.S. Court of Appeals for the Federal Circuit's decision in *Albemarle*,¹² we are applying a rate based on the simple average of the individual rates preliminarily applied to Bonuts and PT in this administrative review (*i.e.*, 78.17 percent) to the companies not selected for individual examination. For a detailed discussion, *see* the Preliminary Decision Memorandum.

¹¹ *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954, 23954 (May 6, 2003) (*Assessment of Antidumping Duties*); *see also Certain Pasta from Turkey: Notice of Preliminary Results of Antidumping Duty Administrative Review*, 76 FR 23974, 23977 (April 29, 2011), unchanged in *Pasta From Turkey: Notice of Final Results of the 14th Antidumping Duty Administrative Review*, 76 FR 68399 (November 4, 2011).

¹² *See Albemarle Corp. v. United States*, 821 F. 3d 1345 (Fed. Cir. 2016) (*Albemarle*).

Preliminary Results of Review

We preliminarily determine that, for the period July 1, 2018 through June 30, 2019, the following estimated dumping margins exist:

Exporter/Producer	Dumping Margin (percent)
Bonuts Hardware Logistics Co.	78.17
PT Enterprise, Inc./Pro-Team Coil Nail Enterprise, Inc.	78.17

Review-Specific Average Rate Applicable to Companies Under Review Not Selected for Individual Examination	
Exporter/Producer	Dumping Margin (percent)
See Appendix II for the 75 companies under review subject to the review-specific average rate.	78.17

Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹³ If the preliminary results are unchanged for the final results, we will instruct CBP to apply an *ad valorem* assessment rate of 78.17 percent to all entries of subject merchandise during the POR which were produced and/or exported by Bonuts and PT, and the companies which were not selected for individual examination. We intend to issue liquidation instructions to CBP 15 days after the date of publication of the final results of this review.

With respect to the five companies that certified they had no shipments, if we continue to find that they had no shipments of subject merchandise in the final results, we will instruct CBP to liquidate any existing entries of subject merchandise produced by the five companies, but

¹³ See 19 CFR 351.212(b).

exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.¹⁴

We determined that Create Trading was not the first party in the transaction chain to have knowledge that the merchandise was destined for the United States, and thus Create Trading is not considered the exporter of subject merchandise during the POR for purposes of this review. In our May 6, 2003, “automatic assessment” clarification, we explained that, where respondents in an administrative review demonstrate that they had no knowledge of sales through resellers to the United States, we would instruct CBP to liquidate such entries at the all-others rate applicable to the proceeding.¹⁵ Here, Commerce finds that Create Trading had no shipments of subject merchandise to the United States during the POR for which it was the first party with knowledge of U.S. destination. Because “as entered” liquidation instructions do not alleviate the concerns which the May 2003 clarification was intended to address, we find it appropriate in this case to instruct CBP to liquidate any existing entries of merchandise produced by Create Trading’s unaffiliated producers and exported by Create Trading at the rate applicable to the producer(s).¹⁶ However, because none of the producers have their own rates, we will instruct CBP to liquidate entries at the all-others rate from the investigation, as revised, of 2.16 percent,¹⁷ in accordance with the reseller policy.

¹⁴ See, e.g., *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

¹⁵ See *Assessment of Antidumping Duties*.

¹⁶ See, e.g., *Certain Frozen Warmwater Shrimp from India: Partial Rescission of Antidumping Duty Administrative Review*, 73 FR 77610, 77612 (December 19, 2008); see also *Certain Pasta From Turkey: Notice of Final Results of the 14th Antidumping Duty Administrative Review*, 76 FR 68399, 68400 (November 4, 2011).

¹⁷ The all-others rate from the underlying investigation was revised in *Certain Steel Nails from Taiwan: Notice of Court Decision Not in Harmony with Final Determination in Less than Fair Value Investigation and Notice of Amended Final Determination*, 82 FR 55090, 55091 (November 20, 2017).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date 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 Bonuts, PT, and the other companies listed in Appendix II will be equal to the dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the 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 merchandise; and the cash deposit rate for all other manufacturers or exporters will continue to be 2.16 percent, the all-others rate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

Normally, Commerce discloses the calculations performed in connection with preliminary results to interested parties within five days after the date of publication of this notice.¹⁸ Because Commerce preliminarily applied a rate based on total AFA to each of the mandatory respondents in this review, in accordance with section 776 of the Act, there are no calculations to disclose.

¹⁸ See 19 CFR 351.224(b).

Interested parties may submit case briefs no later than 30 days after the date of publication of this notice.¹⁹ Rebuttal briefs, the content of which is limited to the issues raised in the case briefs, must be filed within five days from the deadline date for the submission of case briefs.²⁰ Parties who submit case or rebuttal briefs in this proceeding are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.²¹ Case and rebuttal briefs should be filed via ACCESS.²² Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until May 19, 2020, unless extended.²³

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.²⁴ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues parties intend to discuss. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. 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 date and time to be determined.²⁵ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

¹⁹ See 19 CFR 351.309(c)(1)(ii).

²⁰ See 19 CFR 351.309(d)(1) and (2).

²¹ See 19 CFR 351.309(c)(2) and (d)(2).

²² See, generally, 19 CFR 351.303.

²³ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020).

²⁴ See 19 CFR 351.310(c).

²⁵ See 19 CFR 351.310(d).

Final Results of Review

Unless extended, Commerce intends to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case and rebuttal briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Notification to Importers

This notice also 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 the subsequent assessment of double antidumping duties.

Notification 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 sections 19 CFR 351.213(h)(1) and 351.221(b)(4).

Dated: March 31, 2020.

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

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Recommendation

Appendix II

List of Companies Under Review Not Selected for Individual Examination

1. All Precision Co., Ltd.
2. Aplus Pneumatic Corp.
3. Basso Industry Corporation
4. Challenge Industrial Co., Ltd.
5. Cheng Ch International Co. Ltd.
6. Chia Pao Metal Co. Ltd.
7. China Staple Enterprise Corporation
8. Chite Enterprises Co., Ltd.
9. Crown Run Industrial Corp.
10. Da Yong Enterprise Co., Ltd.
11. Daejin Steel Company Ltd.
12. De Fasteners Inc.
13. Dragon Iron Factory Co., Ltd.
14. Easylink Industrial Co., Ltd.
15. ECI Taiwan Co., Ltd.
16. Encore Green Co., Ltd.
17. Faithful Engineering Products Co. Ltd.
18. Fastenal Asia Pacific Ltd.
19. Four Winds Corporation
20. Gaun Ting Technology Co., Ltd.
21. General Merchandise Consolidators
22. Ginfa World Co. Ltd.
23. Gloex Inc.
24. Home Value Co., Ltd.
25. Hor Liang Industrial Corp.
26. Hoyi Plus Co., Ltd.
27. Integral Building Products Inc.
28. Interactive Corp.
29. J C Grand Corporation
30. Jade Shuttle Enterprise Co., Ltd.
31. Jau Yeou Industry Co., Ltd.
32. Jen Ju Enterprise Co., Ltd.
33. Jet Crown International Co., Ltd.
34. Jiajue Industrial Co. Ltd.
35. Jinsco International Corp.
36. Ko's Nail Inc.
37. Korea Wire Co., Ltd.
38. Liang Chyuan Industrial Co., Ltd.
39. Linkwell Industry Co., Ltd.
40. Locksure Inc.
41. Long Ngyuen Trading & Service Co.

42. Lu Kang Hand Tools Industrial Co., Ltd. (Prommer)
43. Master United Corp.
44. Maytrans International Corp.
45. Ming Cheng Hardware Co., Ltd.
46. Nailermate Enterprise Corporation
47. Nailtech Co., Ltd.
48. Newrex Screw Corporation
49. NS International Ltd.
50. Panther T&H Industry Co.
51. Patek Tool Co., Ltd.
52. Point Edge Corp.
53. President Industrial Inc.
54. Quick Advance Inc.
55. Romp Coil Nail Industries Inc.
56. Shinn Chuen Corp.
57. Six-2 Fastener Imports Inc.
58. Taiwan Shan Yin Int'l Co. Ltd.
59. Taiwan Wakisangyo Co. Ltd.
60. Techart Mechanical Corporation
61. Test-Rite Int'l Co., Ltd.
62. Theps Co., Ltd.
63. Trans-Top Enterprise Co., Ltd.
64. Trim International Inc.
65. U-Can-Do Hardware Corp.
66. UJL Industries Co., Ltd.
67. Unicatch Industrial Co. Ltd.
68. VIM International Enterprise Co., Ltd.
69. Wattson Fastener Group Inc.
70. Wictory Co. Ltd.
71. Yeh Fong Hsin
72. Yehdyi Enterprise Co., Ltd.
73. Yu Chi Hardware Co., Ltd.
74. Zhishan Xing Enterprise Co., Ltd.
75. Zon Mon Co. Ltd.

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