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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-832, C-351-833, A-560-815, A-201-830, A-841-805, A-274-804]

Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Continuation of Antidumping Duty Orders and Countervailing

Duty Order

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

SUMMARY: As a result of the determinations by the Department of Commerce (Commerce) and the U.S. International Trade Commission (ITC) that revocation of the antidumping duty (AD) orders on carbon and certain alloy steel wire rod (wire rod) from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago and revocation of the countervailing duty (CVD) order on wire rod from Brazil would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, Commerce is publishing a notice of continuation of these AD orders and the CVD order.

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

FOR FURTHER INFORMATION CONTACT: Benjamin Smith (AD) and Ian Hamilton (CVD), 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) 482-2181 and (202) 482-4798, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 22, 2002, Commerce published the CVD order on wire rod from Brazil.¹ On October 29, 2002, Commerce published the AD orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago.² On June 3, 2019, the ITC instituted its reviews of the AD and CVD orders.³ On June 4, 2019, Commerce published the notice of initiation of the sunset reviews of the AD orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago and the CVD order on wire rod from Brazil, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).⁴ As a result of its reviews, Commerce determined, pursuant to sections 751(c)(1) and 752(c) of the Act, that revocation of the AD orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago would be likely to lead to continuation or recurrence of dumping and notified the ITC of the magnitude of the margins of dumping likely to prevail should the orders be revoked.⁵ Commerce also determined, pursuant to sections 751(c)(1) and 752(b) of the Act, that revocation of the CVD order on wire rod from Brazil would be likely to lead to continuation or recurrence of countervailable subsidies and

¹ See *Notice of Countervailing Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil and Canada*, 67 FR 64871 (October 22, 2002). The CVD order on wire rod from Canada was revoked on January 23, 2004, pursuant to a changed circumstances review. See *Carbon and Certain Alloy Steel Wire Rod from Canada: Final Results of Countervailing Duty Changed Circumstances Review and Revocation of Countervailing Duty Order, in Whole*, 69 FR 3330 (January 23, 2004).

² See *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002). The AD order on wire rod from Ukraine was revoked, effective July 30, 2013, as a result of the ITC's determination that revocation of the order would not be likely to lead to continuation or recurrence of material injury to an industry in the United States. See *Carbon and Certain Alloy Steel Wire Rod from Ukraine: Revocation of Antidumping Duty Order*, 79 FR 38009 (July 3, 2014). Subsequently, on March 14, 2018, Commerce issued the existing AD order on carbon and alloy steel wire rod from Ukraine, which is not covered in these sunset reviews. See *Carbon and Alloy Steel Wire Rod from the Republic of South Africa and Ukraine: Antidumping Duty Orders*, 83 FR 11175 (March 14, 2018).

³ See *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Institution of Five-Year Reviews*, 84 FR 25564 (June 3, 2019).

⁴ See *Initiation of Five-Year ("Sunset") Reviews*, 84 FR 25741 (June 4, 2019).

⁵ See *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago: Final Results of the Expedited Third Sunset Reviews of the Antidumping Duty Orders*, 84 FR 53673 (October 8, 2019).

notified the ITC of the magnitude of the subsidy rates likely to prevail should the order be revoked.⁶

On August 21, 2020, the ITC published its determination, pursuant to sections 751(c) and 752(a) of the Act, that revocation of the AD orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago and the CVD order on wire rod from Brazil would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.⁷

Scope of the Orders

The merchandise subject to these orders is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted 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; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 0.03 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).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) grade 1080 tire

⁶ See *Carbon and Certain Alloy Steel Wire Rod from Brazil: Final Results of the Expedited Third Sunset Review of the Countervailing Duty Order*, 84 FR 53675 (October 8, 2019).

⁷ See *Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago*, 85 FR 51756 (August 21, 2020).

cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel

and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

For purposes of grade 1080 tire cord quality wire rod and grade 1080 tire bead quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis - that is, the direction of rolling - of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod. This measurement methodology applies only to inclusions on certain grade 1080 tire cord quality wire rod and certain grade 1080 tire bead quality wire rod that are entered, or withdrawn from warehouse, for consumption on or after July 24, 2003.

The designation of the products as “tire cord quality” or “tire bead quality” indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under this order are currently classifiable under subheadings 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6085 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

On October 1, 2012, Commerce determined that wire rod with an actual diameter of 4.75 mm to 5.00 mm produced in Mexico and exported to the United States by Deacero S.A.P.I. de C.V. and Deacero USA, Inc. (collectively, Deacero) was circumventing the AD order on wire rod from Mexico.⁸ Specifically, Commerce determined that Deacero's shipments to the United States of such wire rod constitute merchandise altered in form or appearance in such minor respects that it should be included within the scope of the AD order on wire rod from Mexico, effective as of December 20, 2011.⁹ Commerce's affirmative finding in the *Final Circumvention Determination I* applied solely to Deacero. The U.S. Court of Appeals for the Federal Circuit (Federal Circuit) upheld Commerce's finding in the *Final Circumvention Determination I* that wire rod with an actual diameter of 4.75 mm to 5.00 mm produced in Mexico and exported to the United States by Deacero was circumventing the AD order on wire rod from Mexico.¹⁰

⁸ See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Affirmative Final Determination of Circumvention of the Antidumping Order*, 77 FR 59892 (October 1, 2012) (*Final Circumvention Determination I*), and accompanying Issues and Decision Memorandum (IDM).

⁹ *Id.*, 77 FR at 59893.

¹⁰ See *Deacero S.A. de C.V. v. United States*, 817 F. 3d 1332, 1339 (Fed. Cir. 2016).

On March 13, 2019, Commerce determined that wire rod with an actual diameter less than 4.75 mm produced in Mexico and exported to the United States by Deacero was circumventing the AD order on wire rod from Mexico.¹¹ Specifically, Commerce determined that Deacero's shipments to the United States of such wire rod constitute merchandise altered in form or appearance in such minor respects that it should be included within the scope of the AD order on wire rod from Mexico, effective as of February 7, 2018.¹² Commerce's affirmative finding in the *Final Circumvention Determination II* applied solely to Deacero.

Continuation of the Orders

As a result of the determinations by Commerce and the ITC that revocation of the AD and CVD orders would likely lead to continuation or recurrence of dumping, countervailable subsidies, and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act and 19 CFR 351.218(a), Commerce hereby orders the continuation of the AD orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago and the CVD order on wire rod from Brazil.

U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of continuation of these orders will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act, Commerce intends to initiate the next five-year reviews of the orders not later than 30 days prior to the fifth anniversary of the effective date of continuation.

¹¹ See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 84 FR 9089 (March 13, 2019) (*Final Circumvention Determination II*), and accompanying IDM.

¹² *Id.*, 84 FR at 9090.

Notification to Interested Parties

These five-year sunset reviews and this notice are in accordance with section 751(c) and (d)(2) of the Act and published pursuant to section 777(i)(1) of the Act and 19 CFR 351.218(f)(4).

Dated: August 21, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

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