



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-063]

Cast Iron Soil Pipe Fittings from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of cast iron soil pipe fittings (soil pipe fittings) from the People's Republic of China (China). Interested parties are invited to comment on these preliminary results of review.

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

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Joseph Dowling, 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) 482-5973 or (202) 482-1646, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 31, 2018, Commerce published the countervailing duty (CVD) order on soil pipe fittings from China.¹ Wor-Biz Industrial Product Co., Limited (Anhui) (Wor-Biz)² and the petitioner³ requested that Commerce conduct an administrative review of the *Order*, and on October 7, 2019, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the *Order* on 11 producers/exporters for the period of review, December 19, 2017 through December 31, 2018.⁴ On April 14, 2020, Commerce partially extended the preliminary results deadline until July 1, 2020.⁵ On April 24, 2020, Commerce decided to uniformly toll deadlines for all antidumping duty and CVD administrative reviews by 50 days.⁶ On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days,⁷ further extending the deadline for the preliminary results of this review to October 19, 2020.

Scope of the Order

The product covered by the *Order* is soil pipe fittings from China. For a complete description of the scope of this administrative review, *see* the Preliminary Decision

¹ See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Countervailing Duty Order*, 83 FR 44566 (August 31, 2018) (*Order*).

² On January 8, 2020, Commerce published its final determination in a changed circumstances review, finding that Wor-Biz Industrial Product Co., Ltd. (Anhui) is the successor in interest to Wor-Biz Trading Co., Ltd. (Anhui). See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 85 FR 881 (January 8, 2020).

³ See Cast Iron Soil Pipe Institute's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Request for Administrative Review," dated August 30, 2019. The petitioner in this review is the Cast Iron Soil Pipe Institute, which is a trade association, whose members are all domestic producers of cast iron soil pipe fittings.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 53411, 53422 (October 7, 2019) (*Initiation Notice*).

⁵ See Memorandum, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2017-2018," dated April 14, 2020.

⁶ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

⁷ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

Memorandum.⁸

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁹ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum is included as an Appendix to this notice.

Rate for Non-Selected Companies Under Review

There are nine companies for which a review was requested, which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. Because the

⁸ *See* Memorandum, “Decision Memorandum for the Preliminary Results in the Countervailing Duty Administrative Review of Cast Iron Soil Pipe Fittings from the People’s Republic of China: 2017-2018” (Preliminary Decision Memorandum), dated concurrently with, and hereby adopted by, this notice.

⁹ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

rate calculated for the mandatory respondent, Wor-Biz, was above *de minimis* and not based entirely on facts available, we applied the subsidy rate calculated for Wor-Biz to these nine non-selected companies. This methodology for establishing the subsidy rate for the non-selected companies is consistent with our practice and with section 705(c)(5)(A) of the Act.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated a countervailable subsidy rate for the mandatory respondent Wor-Biz. We determined the countervailable subsidy rate for Qinshui Shunshida Casting Co., Ltd. based entirely on adverse facts available, in accordance with section 776 of the Act. We also assigned an individual estimated subsidy rate based on adverse facts available to entries produced and/or exported by Wor-Biz’s unaffiliated supplier Wuhu Best Machines Co., Ltd., in accordance with section 776 of the Act. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Wor-Biz. Consequently, as discussed above, the rate calculated for Wor-Biz is also assigned as the rate for all other producers and exporters subject to this review but not selected for individual examination (*i.e.*, non-selected companies).

We preliminarily find the countervailable subsidy rates for the mandatory and non-selected respondents under review to be as follows:

Producer/Exporter	Subsidy Rate (Percent)
Qinshui Shunshida Casting Co., Ltd.	109.32
Wor-Biz Industrial Product Co., Ltd. (Anhui)	5.13 ¹⁰
Wuhu Best Machines Co., Ltd.	109.32

¹⁰ This rate applies to subject merchandise exported by Wor-Biz Industrial Product Co., Ltd. (Anhui) and produced by companies other than Wuhu Best Machines Co., Ltd.

Non-Selected Companies Under Review:	
Dalian Lino F.T.Z. Co., Ltd.	5.13
Dalian Metal I/E Co., Ltd.	5.13
Dinggin Hardware (Dalian) Co., Ltd.	5.13
Golden Orange International Ltd.	5.13
Hebei Metals & Engineering Products Trading Co., Ltd.	5.13
Richang Qiaoshan Trade Co., Ltd.	5.13
Shanxi Zhongrui Tianyue Trading Co., Ltd.	5.13
Shijiazhuang Asia Casting Co., Ltd.	5.13
Yangcheng County Huawang Universal	5.13

Disclosure and Public Comment

We will disclose to parties in this proceeding the calculations performed in reaching the preliminary results within five days of publication of these preliminary results.¹¹ Interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within seven days after the time limit for filing case briefs.¹² Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review 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.

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 within 30 days of the date of publication of this notice. Requests should contain: (1) the party's name,

¹¹ See 19 CFR 351.224(b).

¹² See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

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.¹³ If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that briefs and hearing requests are to be filed electronically using ACCESS and that electronically filed documents must be received successfully in their entirety by 5 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁴

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(2)(C) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue instructions directly to CBP 15 days after publication of the final results of this review.

¹³ See 19 CFR 351.310(c).

¹⁴ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: October 16, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

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