



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-027]

Corrosion-Resistant Steel Products from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2018

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

SUMMARY: The Department of Commerce (Commerce) is rescinding the administrative review of the countervailing duty (CVD) order on certain corrosion-resistant steel products (CORE) from the People's Republic of China (China), covering the period January 1, 2018, through December 31, 2018.

DATES: Applicable [insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Mark Hoadley, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3148.

SUPPLEMENTARY INFORMATION:

Background

On July 1, 2019, Commerce published in the *Federal Register* a notice of opportunity to request an administrative review of the CVD order on CORE from China.¹ On July 31, 2019, the petitioners timely requested that Commerce conduct an administrative review.² In addition, on the same day, three domestic importers of CORE timely requested an administrative review.³ On

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 84 FR 31295 (July 1, 2019).

² See Petitioners' Letter, "Corrosion-Resistant Steel Products from the People's Republic of China: Request for Administrative Review of Countervailing Duty Order," dated July 31, 2019. The petitioners are ArcelorMittal USA LLC, California Steel Industries, Inc., Nucor Corporation, Steel Dynamics, Inc., and United States Steel Corporation (U.S. Steel).

³ See Letter from Metal One America, Inc., "Corrosion-Resistant Steel Products from China: Metal One America, Inc.'s Request for Administrative Review," dated July 31, 2019 (Metal One Request), Letter from Mitsui & Co.

September 9, 2019, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the CVD order on CORE from China, covering the period January 1, 2018 through December 31, 2018 (period of review or POR), with respect to eleven companies.⁴ On September 12, 2019, Commerce placed on the record the results of a CBP data query conducted for imports from all eleven companies subject to the review.⁵ Because Commerce previously determined that CORE produced in Vietnam using hot-rolled or cold-rolled carbon steel substrate is subject to the order on CORE from China,⁶ Commerce conducted the query for imports under the case number for subject merchandise coming directly from China (C-570-027) as well as under the third-country case number for subject merchandise coming from Vietnam (C-552-995).⁷ The third-country case number was created in CBP’s Automated Commercial Environment (ACE) as a result of our affirmative determination in the *Circumvention Inquiry* and captures entries of CORE produced in Vietnam using hot-rolled or cold-rolled carbon steel substrate from China. The query resulted in “no entries found.”⁸

On September 19, 2019, one of the petitioners, U.S. Steel, submitted comments on the CBP Query, noting that certain companies subject to the review had shipped CORE products to the United States during the POR according to third-party manifest data submitted by the petitioners.⁹ The petitioners suggested that Commerce collect exporter certifications from the companies under review averring that such CORE products were not produced using Chinese

(U.S.A.) Inc., “Corrosion-Resistant Steel Products from China: *Request for Administrative Review*,” dated July 31, 2019, and Letter from Stemcor USA Inc., “Corrosion-Resistant Steel Products from China – Stemcor’s Request for Administrative Review,” dated July 31, 2019 (Stemcor Request). Metal One America, Inc. (Metal One), Mitsui & Co. (U.S.A.) Inc. (Mitsui), and Stemcor USA Inc. (Stemcor) stated that they are U.S. importers of CORE from Vietnam that is potentially subject to the order on CORE from China.

⁴ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 47242 (September 9, 2019) (*Initiation Notice*).

⁵ See Memorandum, “Release of U.S. Customs and Border Protection (CBP) Data for Respondent Selection,” dated September 12, 2019 (CBP Query).

⁶ See *Certain Corrosion-Resistant Steel Products from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty and Countervailing Duty Orders*, 83 FR 23895 (May 23, 2018) and accompanying Issues and Decision Memorandum (*Circumvention Inquiry*).

⁷ See CBP Query at 3.

⁸ *Id.*

⁹ See U.S. Steel’s Letter, “Corrosion-Resistant Steel Products from the People’s Republic of China: Comments on U.S. Customs and Border Protection Entry Data Results,” dated September 19, 2020.

substrate.¹⁰ Commerce subsequently requested exporter certifications as part of a wider questionnaire issued to certain producers, as discussed below.

On December 4, 2019, the petitioners timely withdrew their request for a review in full.¹¹ Likewise, on December 6, 2019, Mitsui timely withdrew its request for a review in full.¹² Consequently, only the Metal One Request and the Stemcor Request remain unwithdrawn. The Metal One Request and the Stemcor Request cover three companies: Nippon Steel and Sumikin Sales Vietnam Co., Ltd. (NSSVC); Hoa Sen Group (HSG); and Ton Dong A Corporation (TDA).¹³ All three companies are Vietnamese exporters of CORE.¹⁴

On February 11, 2020, Commerce issued questionnaires to all three companies.¹⁵ HSG responded to the questionnaire on March 11, 2020;¹⁶ and NSSVC and TDA responded on March 23, 2020.¹⁷ Commerce received no comments on the three questionnaire responses.

On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.¹⁸ On July 22, 2020, Commerce tolled statutory deadlines for all preliminary and final results in administrative reviews by an additional 60 days.¹⁹ As such, the current deadline for the preliminary results in this administrative review is November 17, 2020.

¹⁰ *Id.*

¹¹ See Petitioners' Letter, "Corrosion-Resistant Steel Products from the People's Republic of China: Withdrawal of Request for Administrative Review of Countervailing Duty Order," dated December 4, 2019.

¹² See Letter from Mitsui, "Certain Corrosion-Resistant Steel Products from the People's Republic of China: Withdrawal of Review Request of Countervailing Duty Order," dated December 6, 2019.

¹³ See Metal One Request and Stemcor Request.

¹⁴ *Id.*

¹⁵ See Letters from Commerce to NSSVC, HSG, and TDA, "Corrosion-Resistant Steel from the People's Republic of China: Administrative Review Questionnaire," dated February 11, 2020 (No Shipment Questionnaires).

¹⁶ See Letter from HSG, "Corrosion-Resistant Steel Products from the People's Republic of China-Response to Questionnaire," dated March 11, 2020.

¹⁷ See Letter from NSSVC, "Corrosion-Resistant Steel Products from the People's Republic of China: NSSVC's Response to the Department's Administrative Review Questionnaire," dated March 20, 2020; *see also* Letter from TDA, "Certain Corrosion-Resistant Steel Products from the People's Republic of China, Case No. C-570-027: TDA Initial Questionnaire Response," dated March 20, 2020.

¹⁸ 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.

¹⁹ See Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

On November 6, 2020, Commerce issued a memorandum notifying all parties of its intent to rescind the 2018 CVD administrative review of CORE from China.²⁰ In the memorandum, Commerce concluded, based on the results of the CBP Query and our examination of the questionnaire responses submitted by NSSVC, HSG, and TDA, that the record does not contain evidence of any reviewable entries of subject merchandise during the POR for which liquidation is suspended.²¹ Commerce also provided parties with an opportunity to comment. No party submitted comments in response to the memorandum.

Scope of the Order

The products covered by this order are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

²⁰ See Memorandum, “Certain Corrosion-Resistant Steel Products from the People’s Republic of China: Intent to Rescind 2018 Administrative Review,” dated November 6, 2020.

²¹ *Id.* at 3-4.

(1) Where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this order are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as Start Printed Page 48391 interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this order unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this order:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (“terne plate”), or both chromium and chromium oxides (“tin free steel”), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and

- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the order may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the order is dispositive.

Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested the review withdraw their request within 90 days of the publication date of the notice of initiation of the requested review. All review requests were withdrawn for the following eight companies included in the initiation notice: China Steel Sumikin Vietnam, Dai Thien Loc Corp., Hoa Phat Steel Pipe, Maruichi Sun Steel, Nam Kim Steel, NS Bluescope, Southern Steel Sheet Co., and Vina One. Therefore, we are rescinding the administrative review for these eight companies in accordance with 19 CFR 351.213(d)(1).

Pursuant to 19 CFR 351.213(d)(3), Commerce will rescind an administrative review, in whole or only with respect to a particular exporter or producer, if Commerce concludes that there

were no reviewable entries of the subject merchandise during the POR. Based on an examination of the record, Commerce has concluded there were no reviewable entries, exports or sales of subject merchandise during the POR of merchandise imported from NSSVC, HSG, and TDA. Therefore, we are rescinding the administrative review for these three companies in accordance with 19 CFR 351.213(d)(3).

Assessment Rates

Commerce will instruct CBP to assess countervailing duties on all appropriate entries. Because Commerce is rescinding this review in its entirety, the entries to which this administrative review pertained shall be assessed at rates equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions to CBP 15 days after the publication of this notice.

Administrative Protective Orders

This notice serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of the APO materials, or conversion to judicial protective order is hereby requested. Failure to comply with regulations and terms of an APO is a violation, which is subject to sanction.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(d)(4).

Dated: November 16, 2020.

James Maeder,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

