



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-026]

Corrosion-Resistant Steel Products from the People's Republic of China: Preliminary Determination of No Shipments in the Antidumping Duty Administrative Review and Rescission, in Part; 2018-2019

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

SUMMARY: The Department of Commerce (Commerce) preliminarily finds that Nippon Steel and Sumikin Sales Vietnam Co., Ltd. (NSSVC), Hoa Sen Group (HSG), and Ton Dong A Corporation (TDA) made no shipments of corrosion-resistant steel products (CORE) from the People's Republic of China (China) during the period of review (POR) from July 1, 2018 through June 30, 2019. We invite interested parties to comment on these preliminary results. In addition, Commerce is rescinding the administrative review, in part, for eight companies for which review requests were withdrawn.

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 antidumping duty (AD) 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 September 9, 2019, Commerce published in the *Federal Register* a notice of initiation of an administrative review of the AD order on CORE from China, covering the POR July 1, 2018 through June 3, 2019, with respect to 11 companies.⁴ On September 26, 2019, Commerce placed the results of a CBP data query on the record 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 (A-570-026) as well as under the third-country case number for subject merchandise coming from Vietnam (A-552-994).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

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 Antidumping 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 Metal One America, Inc.'s Letter, "Corrosion-Resistant Steel Products from China: Metal One America, Inc.'s Request for Administrative Review," dated July 31, 2019 (Metal One Request), Mitsui & Co. (U.S.A.) Inc.'s Letter, "Corrosion-Resistant Steel Products from China: *Request for Administrative Review*," dated July 31, 2019, and Stemcor USA Inc.'s Letter, "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 26, 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.

CORE produced in Vietnam using hot-rolled or cold-rolled carbon steel substrate from China.

The query resulted in “no entries found.”⁸

On October 3, 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 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.

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 October 3, 2019.

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 Mitsui’s Letter, “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 Commerce’s Letters, “Corrosion-Resistant Steel from the People’s Republic of China: Administrative Review Questionnaire,” dated February 11, 2020 (No Shipment Questionnaires).

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

¹⁷ See NSSVC’s Letter, “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* TDA’s Letter, “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.

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.

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.*,

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.

products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(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 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, in Part

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).

Preliminary Determination of No Shipments

The remaining three companies included in the *Initiation Notice*, NSSVC, HSG, and TDA, reported no shipments during the POR.²⁰ None of the three respondents reported sourcing any substrate from China, and thus none reported shipping subject merchandise to the United States during the POR – consistent with the CBP data. In the No Shipment Questionnaires issued to NSSVC, HSG, and TDA (identical for all three companies), Commerce requested information concerning corporate structure and affiliation, the total quantity and value of CORE shipments to the United States and all other markets during the POR, a database containing details of each shipment of CORE to the United States during the POR, such as the source of the substrate, a detailed reconciliation of the database to the company’s financial statements, and complete sales documentation for the five largest invoices by sales quantity of the POR.²¹ We specifically asked that the exporter certifications be included as part of the sales documentation along with mill certificates for both the CORE and the substrate. Because a single invoice sometimes includes dozens of sales, the requests resulted in hundreds of pages of mill certificates and sales and shipping documentation. Commerce’s review of the sales documentation confirms the respondents’ reporting (*e.g.*, the mill certificates for the substrate indicate the name and location of the factory that produced the substrate).

Therefore, we preliminarily determine that NSSVC, HSG, and TDA had no shipments of subject merchandise during the POR. Consistent with Commerce’s practice, we are not preliminarily rescinding the review with respect to NSSVC, HSG, and TDA. Rather, we will complete the review and issue appropriate instructions to CBP based on the final results.²²

Public Comment

²⁰ See No Shipment Questionnaires; *see also* HSG’s Letter, “Administrative Review of Antidumping and Countervailing Duty Orders on Corrosion Resistant Steel Products from the People’s Republic of China – No Shipment Letter,” dated October 9, 2019, and TDA’s Letter, “Certain Corrosion-Resistant Steel Products from the People’s Republic of China, Case No. A-570-026: No Shipment Letter,” dated October 9, 2019.

²¹ See No Shipment Questionnaires.

²² 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 (August 28, 2014).

Interested parties may submit case briefs to Commerce no later than 30 days after the date of publication of this notice.²³ Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.²⁴ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Case and rebuttal briefs must be filed electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) and must also be served on interested parties.²⁵ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.²⁶ ACCESS is available to registered users at <http://access.trade.gov>. An electronically filed document must be received successfully in its entirety by 5:00 p.m. Eastern Time on the date that the document is due.

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 Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of the date of publication of this notice.²⁷ 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 a date

²³ See 19 CFR 351.309(c)(1)(ii).

²⁴ See 19 CFR 351.309(d).

²⁵ See 19 CFR 351.303.

²⁶ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

²⁷ See 19 CFR 351.310(c).

and time to be determined.²⁸ Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.²⁹

Assessment Rates

For companies for which this review is rescinded, Commerce will instruct CBP to assess AD duties on all appropriate entries at a rate equal to the cash deposit of estimated AD duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period July 1, 2018 through June 30, 2019, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice.

If Commerce continues to determine for the final results of this administrative review that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (*i.e.*, at that exporter's cash deposit rate) will be liquidated at the rate for the China-wide entity.³⁰ Commerce intends to issue appropriate assessment instructions for NSSVC, HSG, and TDA to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective 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 rates for NSSVC, HSG, and TDA will remain unchanged from the

²⁸ See 19 CFR 351.310(d).

²⁹ See section 751(a)(3)(A) of the Act; and 19 CFR 351.213(h).

³⁰ See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65695 (October 24, 2011).

rates assigned to them in the most recently completed segment for each company; (2) for previously investigated or reviewed Chinese and non-Chinese exporters not covered by this review that have received a separate rate in a prior segment of this proceeding, the cash deposit rate will continue to be the existing exporter-specific cash deposit rate published for the most recently completed period; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the rate for the China-wide entity; and (4) for all non-Chinese exporters of subject merchandise which have not received their own separate rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

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 and/or countervailing 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 and/or countervailing duties occurred and the subsequent assessment of double antidumping duties.

Notification Regarding Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(4).

Dated: November 16, 2020.

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