



DEPARTMENT OF COMMERCE

International Trade Administration

[A-851-804]

Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic: Preliminary Affirmative Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that seamless carbon and alloy steel standard, line, and pressure pipe (seamless pipe) from the Czech Republic is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is July 1, 2019 through June 30, 2020. Interested parties are invited to comment on this preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Dmitry Vladimirov at (202) 482-0665, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the notice of initiation of this investigation on August 4, 2020.¹ Liberty Ostrava A.S. (Liberty Ostrava) and Moravia Steel A.S. (Moravia Steel) are the mandatory respondents in this investigation. For a complete description of the events that

¹ See *Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Initiation of Less-Than-Fair-Value Investigations*, 85 FR 47176 (August 4, 2020) (*Initiation Notice*).

followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.² A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is made available to the public 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/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are seamless pipe and redraw hollows from the Czech Republic, less than or equal to 16 inches in nominal outside diameter, regardless of wall-thickness, manufacturing process, end finish, or surface finish. For a full description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix I of this notice.

Scope Comments

In accordance with the *Preamble* to Commerce's regulations,³ we set aside a period of time, as stated in the *Initiation Notice*, for parties to raise issues regarding product coverage (*i.e.*, scope).⁴ We received several comments concerning scope of the antidumping duty (AD) and countervailing duty (CVD) investigations of seamless pipe as it appeared in the *Initiation Notice*. We are currently evaluating the scope comments filed by the interested parties. We intend to issue our preliminary decision regarding the scope of this and the companion AD and CVD investigations no later than February 3, 2021, the deadline for the preliminary determinations in

² *See* Memorandum, "Decision Memorandum for the Preliminary Affirmative Determination in the Less-Than-Fair-Value Investigation of Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

³ *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁴ *See Initiation Notice*, 85 FR at 47176.

the companion AD investigations.⁵ We will issue a final scope decision after considering any relevant comments submitted in scope case and rebuttal briefs.⁶

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Tariff Act of 1930, as amended (the Act). Pursuant to sections 776(a) and (b) of the Act, Commerce has preliminarily relied upon facts otherwise available to assign estimated weighted-average dumping margins to the mandatory respondents in this investigation because neither of the respondents submitted a response to Commerce's antidumping duty questionnaire. Further, Commerce preliminarily determines that these mandatory respondents failed to cooperate by not acting to the best of their ability to comply with a request for information and is using an adverse inference in selecting from among the facts otherwise available (*i.e.*, applying adverse facts available (AFA)) to these respondents, in accordance with section 776(b) of Act. For a full description of the methodology underlying our preliminary determination, *see* the Preliminary Decision Memorandum.

All-Others Rate

Section 733(d)(1)(ii) of the Act provides that, in the preliminary determination, Commerce shall determine an estimated all-others rate for all exporters and producers not individually investigated in accordance with section 735(c)(5) of the Act. Section 735(c)(5)(A) of the Act states that generally the estimated rate for all others shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely under section 776 of the Act. The estimated weighted-average dumping margins in this preliminary determination were calculated entirely under section 776 of

⁵ *See Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Republic of Korea, the Russian Federation, and Ukraine: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 85 FR 73687 (November 19, 2020).

⁶ The deadline for interested parties to submit scope case and rebuttal briefs will be established in the preliminary scope decision memorandum.

the Act. In cases where no weighted-average dumping margins other than zero, *de minimis*, or those determined entirely under section 776 of the Act have been established for individually examined entities, in accordance with section 735(c)(5)(B) of the Act, Commerce typically averages the margins alleged in the petition and applies the results to all other entities not individually examined.

In the Petitions,⁷ the petitioner calculated two estimated dumping margins, 50.45 percent and 51.70 percent. Therefore, consistent with our practice,⁸ for the all-others rate in this investigation, we preliminarily assigned a simple average of the dumping margins alleged in the Petitions, which is 51.07 percent.⁹

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist during the period July 1, 2019 through June 30, 2020:

Exporter/Producer	Dumping Margin (percent)
Liberty Ostrava A.S.	51.70 percent
Moravia Steel A.S.	51.70 percent
All Others	51.07 percent

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of seamless pipe from the Czech Republic, as described in the “Scope of the Investigation” in Appendix I, entered, or withdrawn

⁷ See Petitioner’s Letter, “Petitions for the Imposition of Antidumping and Countervailing Duties: Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic, the Republic of Korea, Russia, and Ukraine,” dated July 8, 2020 (Petitions) at Volume IV; *see also* AD Investigation Initiation Checklist: Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the Czech Republic (July 28, 2020) (Initiation Checklist).

⁸ See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, 38987 (July 8, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁹ See Petitions at Volume IV and Initiation Checklist.

from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*.

We will also instruct CBP, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), to require a cash deposit equal to the margins indicated in the chart above. These suspension of liquidation instructions will remain in effect until further notice.

Verification

Because the mandatory respondents in this investigation did not act to the best of their ability to provide information requested by Commerce, and Commerce preliminarily determines each of the mandatory respondents to be uncooperative, we will not conduct verifications.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied AFA to each of the mandatory respondents in this investigation, in accordance with section 776 of the Act, there are no calculations to disclose.

Public Comment

As noted above, Commerce will issue a preliminary scope decision no later than February 3, 2021. All interested parties will have the opportunity to submit case and rebuttal briefs on the preliminary scope determination by the deadline established in the memorandum. All parties filing scope briefs or rebuttals thereto, must file identical documents simultaneously on the records of all the ongoing AD and CVD seamless pipe investigations. No new factual information or business proprietary information may be included in either scope briefs or rebuttal scope briefs.

Interested parties are invited to comment on this preliminary determination no later than 30 days after the date of publication of this preliminary determination.¹⁰ Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.¹¹ 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.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants and whether any participant is a foreign national; and (3) a list of the issues to be discussed. 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 by telephone the date, time, and location of the hearing two days before the scheduled date.

An electronically filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline. Commerce has modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹²

Final Determination

Section 735(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce will issue the final determination within 75 days after the date of its preliminary determination.

¹⁰ See 19 CFR 351.309(c)(1)(i); *see also* 19 CFR 351.303 (for general filing requirements).

¹¹ See 19 CFR 351.309(d); *see also* 19 CFR 351.303 (for general filing requirements).

¹² See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

Accordingly, Commerce will make its final determination no later than 75 days after the signature date of this preliminary determination.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of our affirmative preliminary determination. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: December 15, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the scope of this investigation is seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (*e.g.*, hot-finished or cold-drawn), end finish (*e.g.*, plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (*e.g.*, bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (ASTM) or American Petroleum Institute (API) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.

Specifically excluded from the scope of the investigation are: (1) all pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A-822 standard; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigation are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, *i.e.*, outside diameter and wall thickness, of ASTM A-53, ASTM A-106 or API 5L specifications.

Subject seamless standard, line, and pressure pipe are normally entered under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000, 7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070. The HTSUS subheadings and specifications are provided for convenience and customs purposes; the written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum:

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of Investigation
- V. Application of Facts Available, Use of Adverse Inference, and Calculation of All-Others Rate
- VI. Recommendation

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