



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Light-Walled Rectangular Pipe and Tube from Mexico: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2018-2019

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

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty order on light-walled rectangular pipe and tube from Mexico, covering the period August 1, 2018 through July 31, 2019. We preliminarily find that Regiomontana de Perfiles y Tubos S. de R.L. de C.V. (Regiopytsa) (successor-in-interest to Regiomontana de Perfiles y Tubos S.A. de C.V.) made sales of subject merchandise at less than normal value (NV) during the period of review (POR), and that Maquilacero S.A. de C.V. (Maquilacero) did not have sales of subject merchandise at less than normal value during the period of review. We are also rescinding this review for 12 companies where timely requests for withdrawals were filed by all parties who requested the reviews. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Samuel Brummitt or John Conniff, 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) 482-7851 or (202) 482-1009, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 7, 2019, Commerce published in the *Federal Register* a notice of the

initiation of the administrative review of the antidumping duty order¹ on light-walled rectangular pipe and tube from Mexico for 19 companies.² On October 22, 2019, we selected Maquilacero and Regiopytsa³ for individual examination as the mandatory respondents in this administrative review.⁴

On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.⁵ On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.⁶ On June 11, 2020, we extended the deadline for the preliminary results to November 18, 2020.⁷ The deadline for the preliminary results of this review is now December 16, 2020.

For a complete description of the events that followed the initiation of the review, *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/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is included in the Appendix to this notice.

¹ *See Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008) (*Order*).

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 53411 (October 7, 2019) (*Initiation Notice*). The *Initiation Notice* listed 19 companies and 20 company names since it included both the current and former versions of Regiopytsa's company name.

³ Based on the record evidence in this review, we are preliminarily finding Regiomontana de Perfiles y Tubos S. de R.L. de C.V. to be successor-in-interest to Regiomontana de Perfiles y Tubos S.A. de C.V. For additional information on Commerce's analysis regarding the successor-in-interest finding, *see* Memorandum, "Decision Memorandum for the Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review: Light-Walled Rectangular Pipe and Tube from Mexico; 2018-2019," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum) at 6.

⁴ *See* Memorandum, "2018-2019 Antidumping Duty Administrative Review of Light-Walled Rectangular Pipe and Tube from Mexico: Respondent Selection," dated October 22, 2019 (Respondent Selection Memorandum) at 2-3.

⁵ *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.

⁶ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews," dated July 21, 2020.

⁷ *See* Memorandum, "Light-Walled Rectangular Pipe and Tube from Mexico: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review; 2018-2019," dated April 17, 2020.

Scope of the Order

The products covered by the scope of the order are certain light-walled rectangular pipe and tube from Mexico. For a complete description of the scope, *see* the Preliminary Decision Memorandum.

Partial Rescission of Review

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if a party who requested the review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review. On January 6, 2020, Independence Tube Corporation, a Nucor company, and Southland Tube, Incorporated, a Nucor company, timely withdrew their requests for an administrative review on the following 12 companies: Arco Metal S.A. de C.V.; Galvak, S.A. de C.V.; Hylsa S.A. de C.V.; Industrias Monterrey S.A. de C.V.; Internacional de Aceros, S.A. de C.V.; Nacional de Acero S.A. de C.V.; PEASA-Productos Especializados de Acero; Talleres Acero Rey S.A. de C.V.; Ternium Mexico S.A. de C.V.; Tuberias Aspe S.A de C.V.; Tuberia Laguna, S.A. de C.V.; and Tuberias y Derivados S.A. de C.V. No other party requested a review of these 12 companies.⁸ Accordingly, we are rescinding this review, in part, with respect to these companies, pursuant to 19 CFR 351.213(d)(1).

Methodology

Commerce is conducting this review in accordance with sections 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Export price was calculated in accordance with section 772 of the Act. Normal value was calculated in accordance with section 773 of the Act. For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Rate for Non-Selected Companies

⁸ *See* Preliminary Decision Memorandum at 2-3.

For the rate for companies not selected for individual examination in an administrative review, generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation. Under section 735(c)(5)(A) of the Act, the all-others rate is normally “an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}.” In this segment of the proceeding, we calculated a margin for Regiopytsa that was not zero, *de minimis*, or based on total facts available. Accordingly, we have preliminarily applied the weighted-average dumping margin calculated for the non-examined companies in this review based on the weighted-average dumping margin calculated for Regiopytsa.

Preliminary Results of Review

We preliminarily determine that, for the period August 1, 2018 through July 31, 2019, the following weighted-average dumping margins exist:

Producer or Exporter	Weighted-Average Dumping Margin (percent)
Maquilacero S.A. de C.V. and Tecnicas de Fluidos S.A. de C.V.	0.00
Regiomontana de Perfiles y Tubos S. de R.L. de C.V. ⁹	5.44
Aceros Cuatro Caminos S.A. de C.V.	5.44
Fabricaciones y Servicios de Mexico	5.44
Grupo Estructuras y Perfiles	5.44
Perfiles LM, S.A. de C.V.	5.44
Productos Laminados de Monterrey S.A. de C.V.	5.44

⁹ We preliminarily find that Regiomontana de Perfiles y Tubos S. de R.L. de C.V. is the successor-in-interest to Regiomontana de Perfiles y Tubos S.A. de C.V. For further discussion, see the Preliminary Decision Memorandum.

Disclosure and Public Comment

We will disclose to parties to the proceeding the calculations performed in connection with these preliminary results of review within five days after the date of publication of this notice.¹⁰ Interested parties may submit case briefs not later than 30 days after the date of publication of this notice in the *Federal Register*.¹¹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date for filing case briefs.¹² Parties who submit case 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.¹³ Case and rebuttal briefs should be filed using ACCESS.¹⁴ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁵

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.¹⁶ 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 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.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of all issues raised in the case and rebuttal briefs, within

¹⁰ See 19 CFR 351.224(b).

¹¹ See 19 CFR 351.309(c)(1)(ii).

¹² See 19 CFR 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁴ See 19 CFR 351.303.

¹⁵ See *Temporary Rule*.

¹⁶ See 19 CFR 351.310(c).

120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

Assessment Rates

For individually examined respondents whose weighted-average dumping margin is not zero or *de minimis* (*i.e.*, less than 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1).¹⁷ We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is not zero or *de minimis*. If a respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by this review where applicable.

Regarding entries of subject merchandise during the period of review that were produced by Maquilacero and Regiopytsa and for which they did not know that the merchandise was destined for the United States, we will instruct CBP to liquidate such entries at the all-others rate of 3.76 percent, as established in the less-than-fair-value investigation, if there is no rate for the intermediate company(ies) involved in the transaction.¹⁸ For a full discussion of this matter, *see Assessment Policy Notice*.¹⁹

¹⁷ In these preliminary results, Commerce applied the assessment rate calculation methodology adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

¹⁸ *See Order*, 73 FR at 45405.

¹⁹ *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*).

For those companies which were not individually examined, we will instruct CBP to assess antidumping duties at an *ad valorem* rate equal to that companies weighted-average dumping margin as determined in the final results of this review.

In accordance with 19 CFR 356.8, we intend to issue liquidation instructions to CBP on or after 41 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review 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 rate for each specific company listed above will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or in the investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be the all-others rate of 3.76 percent.²⁰ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this

²⁰ See *Order*, 73 FR at 45405.

requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: December 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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- III. Scope of the Order
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