



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2018-2019

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

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that the producers/exporters of heavy walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) from Mexico subject to this administrative review made sales of subject merchandise at less than normal value (NV) during the period of review (POR) September 1, 2018 through August 31, 2019. We invite all interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: David Goldberger or David Crespo, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-3693, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 12, 2019, based on timely requests for review, in accordance with 19 CFR 351.221(c)(1)(i), we initiated an administrative review on HWR pipes and tubes from Mexico.<sup>1</sup> This review covers 11 producers and exporters of the subject merchandise. Commerce selected two companies, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de

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<sup>1</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 61011 (November 12, 2019).

Monterrey S.A. de C.V. (Prolamsa), for individual examination. The producers and/or exporters not selected for individual examination are listed in the “Preliminary Results of the Review” section of this notice.

On April 21, 2020, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(h)(2), Commerce extended the time limit for issuing the preliminary results of this administrative review to September 29, 2020.<sup>2</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for issuing the preliminary results of this administrative review to November 18, 2020.<sup>3</sup> On July 21, 2020, Commerce again tolled all deadlines for preliminary and final results in administrative reviews by an additional 60 days.<sup>4</sup> Therefore, the deadline for the preliminary results of this administrative review is January 19, 2021.

#### Scope of the Order

The products covered by the order are heavy walled rectangular welded steel pipes and tubes from Mexico.<sup>5</sup> Products subject to the order are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item number 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive.

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<sup>2</sup> See Memorandum, “Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Extension of Deadline for Preliminary Results of the 3<sup>rd</sup> Antidumping Duty Administrative Review,” dated April 21, 2020.

<sup>3</sup> 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.

<sup>4</sup> See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

<sup>5</sup> For a complete description of the scope of the Order, see Memorandum, “Decision Memorandum for the Preliminary Results of the 2018-2019 Administrative Review of the Antidumping Duty Order on Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

## Methodology

Commerce is conducting this review in accordance with sections 751(a)(1)(B) and (2) of the Act. Export price and constructed export price are calculated in accordance with section 772 of the Act. NV is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *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 electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

## Rate for Non-Selected Respondents

The Act and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. 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, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. 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 review, we have preliminarily calculated a weighted-average dumping margin for these companies using the calculated rates of the mandatory respondents, Maquilacero and Prolamsa, which are not zero, *de minimis*, or determined entirely on the basis of facts available.<sup>6</sup>

Preliminary Results of the Review

As a result of this review, we preliminarily determine that the following weighted-average dumping margins exist for the period September 1, 2018 through August 31, 2019:

<b>Producers/exporters</b>	<b>Weighted-average dumping margin (percent)</b>
Maquilacero S.A. de C.V.	0.00
Productos Laminados de Monterrey S.A. de C.V.	1.75
Review-Specific Average Rate Applicable to the Following Companies:	
Arco Metal S.A. de C.V.	1.75
Forza Steel S.A. de C.V.	1.75
Industrias Monterrey, S.A. de C.V.	1.75
Perfiles y Herrajes LM S.A. de C.V.	1.75
PYTCO S.A. de C.V.	1.75
Regiomontana de Perfiles y Tubos S.A. de C.V.	1.75
Ternium S.A. de C.V.	1.75
Tuberia Nacional, S.A. de C.V.	1.75
Tuberias Procarsa S.A. de C.V.	1.75

<sup>6</sup> See section 735(c)(5)(A) of the Act

## Disclosure

Commerce intends to disclose the calculations performed in connection with these preliminary results to interested parties within five days after the date of publication of this notice.<sup>7</sup>

## Verification

On February 19, 2020, Commerce received a request from the petitioners<sup>8</sup> to conduct verification of the responses in this administrative review.<sup>9</sup> Commerce is currently unable to conduct on-site verification of the information relied upon for the final results of this review. Accordingly, we intend to take additional steps in lieu of on-site verification. Commerce will notify interested parties of any additional documentation or information required.

## Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. A timeline for the submission of case briefs and written comments will be provided to interested parties at a later date. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the deadline for filing case briefs.<sup>10</sup> 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.<sup>11</sup> Case and rebuttal briefs should be filed using ACCESS.<sup>12</sup>

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, U.S. Department of Commerce, filed electronically via ACCESS within 30 days after the date of

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<sup>7</sup> See 19 CFR 351.224(b).

<sup>8</sup> The petitioners are Independence Tube Corporation and Southland Tube, Incorporated; Nucor Companies; Atlas Tube, a division of Zekelman Industries; and Searing Industries.

<sup>9</sup> See Petitioners' Letter, "Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Request for Verification," dated February 19, 2020.

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

<sup>11</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>12</sup> See 19 CFR 351.303.

publication of this notice.<sup>13</sup> Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.<sup>14</sup> Parties should confirm 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.

### Final Results

Commerce intends to issue the final results of this administrative review, including the results of its analysis of issues raised in any written briefs, not later than 120 days after the date of publication of this notice, unless otherwise extended.<sup>15</sup>

### Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries.<sup>16</sup>

Pursuant to 19 CFR 351.212(b)(1), where Maquilacero and Prolamsa reported the entered value of their U.S. sales, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the examined sales to the total entered value of the sales for which entered value was reported. Where Prolamsa did not report entered value, we calculated the entered value in order to determine the assessment rate. Where either the 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.

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<sup>13</sup> See 19 CFR 351.310(c).

<sup>14</sup> See 19 CFR 351.310(d).

<sup>15</sup> See section 751(a)(3)(A) of the Act.

<sup>16</sup> See 19 CFR 351.212(b).

For the companies which were not selected for individual review, we will assign an assessment rate based on the weighted average<sup>17</sup> of the cash deposit rates calculated for Maquilacero and Prolamsa, excluding any which are zero, *de minimis*, or determined entirely on adverse facts available. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.<sup>18</sup>

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by Maquilacero or Prolamsa for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.<sup>19</sup>

Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the Federal Register, in accordance with 19 CFR 356.8(a).

#### Cash Deposit Requirements

The following 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 rate for the companies listed above will be equal to the weighted-average dumping margin established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously reviewed or investigated

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<sup>17</sup> This rate was calculated as discussed in footnote 6, above.

<sup>18</sup> See section 751(a)(2)(C) of the Act.

<sup>19</sup> For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

companies not covered in this review, the cash deposit rate will continue to be the company-specific cash deposit rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the cash deposit 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 4.91 percent, the all-others rate established in the LTFV investigation.<sup>20</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) 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 requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

#### Notification to Interested Parties

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

Dated: January 15, 2021.

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

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<sup>20</sup> See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62867 (September 13, 2016).

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Discussion of the Methodology
- V. Currency Conversion
- VI. Recommendation

[FR Doc. 2021-01640 Filed: 1/25/2021 8:45 am; Publication Date: 1/26/2021]