



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-830]

Carbon and Certain Alloy Steel Wire Rod from Mexico: Preliminary Results of Antidumping Duty Administrative Review, Preliminary Determination of No Shipments, 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) preliminarily determines that sales of carbon and certain alloy steel wire rod (wire rod) from Mexico were made at less than normal value during the period of review (POR), October 1, 2018, through September 30, 2019. Further, Commerce is rescinding the administrative review, in part, with respect to ArcelorMittal Las Truchas, S.A. de C.V. (AMLT). We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Benjamin A. Smith, 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) 482-2181.

SUPPLEMENTARY INFORMATION:

Background

On October 29, 2002, Commerce published the antidumping duty order on wire rod from Mexico in the *Federal Register*.<sup>1</sup> On October 1, 2019, we published in the *Federal Register* a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On December 11, 2019,

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<sup>1</sup> See *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945 (October 29, 2002) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation*, 84 FR 52068 (October 1, 2019).

pursuant to section 751(a)(1) of the Act, Commerce initiated an administrative review of the *Order*.<sup>3</sup> On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days.<sup>4</sup> On July 21, 2020, Commerce tolled all deadlines in administrative reviews by an additional 60 days.<sup>5</sup> On October 1, 2020, Commerce extended the deadline for the preliminary results to February 17, 2021.<sup>6</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>7</sup>

### Scope of the *Order*

The merchandise subject to the *Order* is wire rod, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter. The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under the subheadings: 7213.91.3000, 7213.91.3010, 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3090, 7213.91.3091, 7213.91.3092, 7213.91.3093, 7213.91.4500, 7213.91.4510, 7213.91.4590, 7213.91.6000, 7213.91.6010, 7213.91.6090, 7213.99.0030, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0000, 7227.20.0010, 7227.20.0020, 7227.20.0030, 7227.20.0080, 7227.20.0090, 7227.20.0095, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035, 7227.90.6050, 7227.90.6051, 7227.90.6053, 7227.90.6058, 7227.90.6059, 7227.90.6080, and 7227.90.6085. The HTSUS subheadings are provided for convenience and customs purposes only; the written product description remains dispositive.

A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

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<sup>3</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 67712, 67715 (December 11, 2019) (*Initiation Notice*).

<sup>4</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>5</sup> *See* Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

<sup>6</sup> *See* Memorandum, “Carbon and Certain Alloy Steel Wire Rod from Mexico: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated October 1, 2020.

<sup>7</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results, Preliminary Determination of No Shipments, and Partial Recission of the 2018-2019 Administrative Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Mexico,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

## Partial Rescission of Administrative Review

The *Initiation Notice* listed AMLT as one of the producers/exporters under review.<sup>8</sup> However, Commerce previously determined in a changed circumstances review that nearly all of AMLT's assets were sold to ArcelorMittal Mexico and AMLT is no longer in operation.<sup>9</sup> Therefore, because AMLT is no longer in existence and did not have entries during the relevant period, Commerce is partially rescinding this administrative review with respect to AMLT, in accordance with 19 CFR 351.213(d)(3).

The review will continue with respect to all other entities listed in the *Initiation Notice*.

## Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). Constructed 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. 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/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content. A list of topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice.

## Preliminary Determination of No Shipments

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<sup>8</sup> *See Initiation Notice*, 84 FR at 67715.

<sup>9</sup> *See Final Results of Changed Circumstances Review: Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from Mexico*, 82 FR 53456 (November 16, 2017).

On January 8, 2020, Grupo Villacero S.A. de C.V. (Villacero) reported that it had no exports or sales of subject merchandise into the United States during the POR.<sup>10</sup> On February 13, 2020, Commerce submitted a non-shipment inquiry with U.S. Customs and Border Protection (CBP) with regard to the Villacero Non-Shipment Claim, to which CBP responded that it found no shipments of subject merchandise by Villacero during the POR.<sup>11</sup>

Given that Villacero reported that it made no shipments of subject merchandise to the United States during the POR, and there is no information calling its claim into question, we preliminarily determine that Villacero made no shipments of subject merchandise during the POR. Consistent with Commerce’s practice, we will not rescind the review with respect to Villacero but, rather, will complete the review and issue instructions to CBP based on the final results.<sup>12</sup>

#### Preliminary Results of the Review

As a result of this review, we preliminarily determine the following weighted-average dumping margins exist for the POR:

| <b>Manufacturers/Producers/Exporters</b> | <b>Weighted-Average Dumping Margins<br/>(percent)</b> |
|--|---|
| Deacero S.A.P.I de C.V.                  | 2.49  |
| Talleres y Aceros S.A. de C.V.           | 2.49  |
| Ternium Mexico S.A. de C.V.              | 2.49  |

#### Assessment Rates

Upon issuance of the final results, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review. If the weighted-average dumping margin for Deacero S.A.P.I de C.V. (*i.e.*, the sole individually examined respondent in this review) is not zero or *de minimis* (*i.e.*, less than 0.5 percent), we will calculate importer-

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<sup>10</sup> See Villacero’s Letter, “Carbon and Certain Alloy Steel Wire Rod from Mexico: Notice of No Sales,” dated January 8, 2020 (Villacero Non-Shipment Claim).

<sup>11</sup> See Memorandum, “Carbon Alloy Steel Wire Rod from Mexico (A-201-830),” dated February 19, 2020.

<sup>12</sup> See, *e.g.*, *Certain Lined Paper Products from India: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016-2017*, 83 FR 50886 (October 10, 2018), unchanged in *Certain Lined Paper Products from India: Final Results of Antidumping Duty Administrative Review; 2016-2017*, 84 FR 23017 (May 21, 2019).

specific *ad valorem* antidumping 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).<sup>13</sup> 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 above *de minimis* (*i.e.*, 0.5 percent). Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment 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 the final results of this review where applicable.

For the companies which were not selected for individual review (*i.e.*, Talleres y Aceros S.A. de C.V., and Ternium Mexico S.A. de C.V.), we will assign an assessment rate based on the weighted-average dumping margin calculated for the sole individually examined respondent in this review, Deacero. 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>14</sup>

In accordance with Commerce's "automatic assessment" practice, for entries of subject merchandise during the POR produced by each respondent which did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate entries not reviewed at the all-others rate of 20.11 percent<sup>15</sup> if there is no rate for the intermediate company(ies) involved in the transaction. Commerce intends to issue assessment instructions to

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<sup>13</sup> In the preliminary results, Commerce applied the assessment rate calculation method 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).

<sup>14</sup> See section 751(a)(2)(C) of the Act.

<sup>15</sup> See *Order*, 67 FR at 65947.

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).

For the company for which this review is rescinded, AMLT, antidumping duties shall be assessed at rates equal to the cash deposit rate of estimated antidumping duties required at the time of entry, or withdrawal from warehouse, for consumption. Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of this rescission notice in the *Federal Register*.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of wire rod from Mexico entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for the firms listed above will be equal to the dumping margins established in the final results of this review, except if the ultimate rates are *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rates will be zero; (2) for merchandise exported by producers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding in which the producer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value investigation but the producer is, then the cash deposit rate will be the rate established for the most recently completed segment of the proceeding for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 20.11 percent, the

all-others rate established in the antidumping duty investigation.<sup>16</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Disclosure

We intend to disclose the calculations performed in these preliminary results to parties in this proceeding within five days of the date of publication of this notice.<sup>17</sup>

### Public Comment

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. 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.<sup>18</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>19</sup> All briefs must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the established deadline. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>20</sup>

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 written request to the Assistant Secretary for Enforcement and Compliance, 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 (3) a list of 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

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<sup>16</sup> See *Order*, 67 FR at 65947.

<sup>17</sup> See 19 CFR 351.224(b).

<sup>18</sup> See 19 CFR 351.309(d); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

<sup>19</sup> See 19 CFR 351.309(c)(2) and (d)(2) and 19 CFR 351.303 (for general filing requirements).

<sup>20</sup> See *Temporary Rule*.

confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Notification to Importers

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 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 351.213(h)(1).

Dated: February 5, 2021.

Christian Marsh,  
Acting Assistant Secretary  
for Enforcement and Compliance.

## **Appendix**

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

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Partial Rescission of Administrative Review
- V. Preliminary Determination of No Shipments
- VI. Margin for Companies Not Selected for Individual Examination
- VII. Discussion of the Methodology
- VIII. Currency Conversion
- IX. Recommendation

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