



DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-854]

Standard Steel Welded Wire Mesh from Mexico: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of standard steel welded wire mesh (wire mesh) from Mexico.

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

FOR FURTHER INFORMATION CONTACT: Ian Hamilton, 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) 482-4798.

SUPPLEMENTARY INFORMATION:

Background

The petitioners in this investigation are Insteel Industries Inc., Mid-South Wire Company, National Wire LLC, Oklahoma Steel & Wire Co., and Wire Mesh Corp. (collectively, the petitioners). In addition to the Government of Mexico, the mandatory respondents in this investigation are Aceromex S.A. De C.V. (Aceromex) and Deacero S.A.P.I. de C.V. (Deacero).

A summary of the events that occurred since Commerce published the *Preliminary Determination*,¹ as well as a full discussion of the issues raised by parties for this final determination, are discussed in the Issues and Decision Memorandum, which is hereby adopted

¹ See *Standard Steel Welded Wire Mesh from Mexico: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination*, 85 FR 78124 (December 3, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

by this notice.² The Issues and Decision Memorandum is a public document and on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Period of Investigation

The period of investigation is January 1, 2019 through December 31, 2019.

Scope of the Investigation

The scope of the investigation is wire mesh from Mexico. For a complete description of the scope of this investigation, *see* Appendix I.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is included as Appendix II.

Methodology

Commerce conducted this investigation in accordance with section 701 of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, Commerce determines that there is a subsidy, *i.e.*, a financial contribution by an "authority" that confers a benefit on the recipient and that the subsidy is specific.³ For a full description of the methodology underlying our final determination, *see* the Issues and Decision Memorandum.

² *See* Memorandum, "Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Standard Steel Welded Wire Mesh from Mexico," dated concurrently with this determination (Issues and Decision Memorandum).

³ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

In making this final determination, Commerce relied, in part, on facts available pursuant to section 776(a) of the Act. Additionally, as discussed in the Issues and Decision Memorandum, because one respondent did not act to the best of their ability in responding to our requests for information, we drew adverse inferences, where appropriate, in selecting from among the facts otherwise available, pursuant to section 776(b) of the Act. The respondent, Deacero, did not respond to Commerce's initial countervailing duty (CVD) questionnaire, and we have continued to use an adverse inference in selection of facts available for determining the subsidy rates for these companies, pursuant to section 776(d) of the Act. For further information, *see* the section "Use of Facts Otherwise Available and Adverse Inferences" in the accompanying Issues and Decision Memorandum.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Act.⁴

Changes Since the *Preliminary Determination*

Based on our review and analysis of the information received in lieu of on-site verification, we made certain changes to the subsidy rate calculations for Aceromex. As a result of these changes, Commerce also revised the all-others rate. For a discussion of these changes, *see* the Issues and Decision Memorandum.⁵

All-Others Rate

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we calculated a countervailable subsidy rate for Aceromex. Section 705(c)(5)(A)(i) of the Act states that, for all exporters and

⁴ *See* Commerce Letter, In Lieu of Verification Questionnaire for Aceromex, dated December 28, 2020.

⁵ *See also* Memorandum, "Countervailing Duty Investigation of Standard Steel Welded Wire Mesh from Mexico: Final Determination Calculation Memorandum for Aceromex, S.A. de C.V.," dated concurrently with this final determination.

producers not individually investigated, we will determine an all-others rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act.

In this investigation, Commerce assigned a rate based entirely on facts available, *i.e.*, under section 776 of the Act, to Deacero. Therefore, the only rate that is not zero, *de minimis*, or based entirely on facts otherwise available is the rate calculated for Aceromex. Consequently, the rate calculated for Aceromex is also assigned as the rate for all other producers and exporters.

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Aceromex S.A. De C.V.	1.03
Deacero S.A.P.I. de C.V.	102.10
All Others	1.03

Disclosure

Commerce intends to disclose the calculations performed in connection with this final determination within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to sections 703(d)(1)(B) and (d)(2) of the Act, Commerce instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation

section, that was entered or withdrawn from warehouse for consumption on or after the date of publication of the *Preliminary Determination* in the *Federal Register*.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order and require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of wire mesh from Mexico no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a CVD order directing CBP to assess, upon further instruction by Commerce, countervailing duties on all imports of the subject merchandise that are entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding APO

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to the APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). 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 terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: February 10, 2021.

Christian Marsh,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The scope of this investigation covers uncoated standard welded steel reinforcement wire mesh (wire mesh) produced from smooth or deformed wire. Subject wire mesh is produced in square and rectangular grids of uniformly spaced steel wires that are welded at all intersections. Sizes are specified by combining the spacing of the wires in inches or millimeters and the wire cross-sectional area in hundredths of square inch or millimeters squared. Subject wire mesh may be packaged and sold in rolls or in sheets.

Subject wire mesh is currently produced to ASTM specification A1064/A1064M, which covers carbon-steel wire and welded wire reinforcement, smooth and deformed, for concrete in the following seven styles:

1. 6X6 W1.4/W1.4 or D1.4/D1.4
2. 6X6 W2.1/W2.1 or D2.1/D2.1
3. 6X6 W2.9/W2.9 or D2.9/D2.9
4. 6X6 W4/W4 or D4/D4
5. 6X12 W4/W4 or D4/D4
6. 4X4 W2.9/W2.9 or D2.9/D2.9
7. 4X4 W4/W4 or D4/D4

The first number in the style denotes the nominal spacing between the longitudinal wires and the second number denotes the nominal spacing between the transverse wires. In the first style listed above, for example, “6X6” denotes a grid size of six inches by six inches. “W” denotes the use of smooth wire, and “D” denotes the use of deformed wire in making the mesh. The number following the W or D denotes the nominal cross-sectional area of the transverse and longitudinal wires in hundredths of a square inch (*i.e.*, W1.4 or D1.4 is .014 square inches).

Smooth wire is wire that has a uniform cross-sectional diameter throughout the length of the wire.

Deformed wire is wire with indentations or raised transverse ribs, which results in wire that does not have a uniform cross-sectional diameter throughout the length of the wire.

Rolls of subject wire mesh are produced in the following styles and nominal width and length combinations:

Style: 6X6 W1.4/W1.4 or D1.4/D1.4 (*i.e.*, 10 gauge)

Roll Sizes: 5' X 50'
5' X 150'
6' X 150'
5' X 200'
7' X 200'
7.5' X 200'

Style: 6X6 W2.1/W2.1 or D2.1/D2.1 (*i.e.*, 8 gauge)

Roll Sizes: 5' X 150'

Style: 6X6 W2.9/W2.9 or D2.9/D2.9 (*i.e.*, 6 gauge)

Roll Sizes: 5' X 150'

7' X 200'

All rolled wire mesh is included in scope regardless of length.

Sheets of subject wire mesh are produced in the following styles and nominal width and length combinations:

Style: 6X6 W1.4/W1.4 or D1.4/D1.4 (*i.e.*, 10 gauge)

Sheet Size: 3'6" X 7'

4' X 7'

4' X 7'6"

5' X 10'

7' X 20'

7'6" X 20'

8' X 12'6"

8' X 15'

8' X 20'

Style: 6X6 W2.1/W2.1 or D2.1/D2.1 (*i.e.*, 8 gauge)

Sheet Size: 5' X 10'

7' X 20'

7'6" X 20'

8' X 12'6"

8' X 15'

8' X 20'

Style: 6X6 W2.9/W2.9 or D2.9/D2.9 (*i.e.*, 6 gauge)

Sheet Size: 3'6" X 20'

5' X 10'

7' X 20'

7'6" X 20'

8' X 12'6"

8' X 15'

8' X 20'

Style: 6X12 W4/W4 or D4/D4 (*i.e.*, 4 gauge)

Sheet Size: 8' X 20'

Style: 4X4 W2.9/W2.9 or D2.9/D2.9 (*i.e.*, 6 gauge)

Sheet Size: 5' X 10'

7' X 20'

7'6" X 20'

8' X 12'6"

8' X 12'8"

8' X 15'

8' X 20'

Style: 4X4 W4/W4 or D4/D4 (*i.e.*, 4 gauge)

Sheet Size: 5' X 10'
8' X 12'6"
8' X 12'8"
8' X 15'
8' X 20'

Any product imported, sold, or invoiced in one of these size combinations is within the scope.

ASTM specification A1064/A1064M provides for permissible variations in wire gauges, the spacing between transverse and longitudinal wires, and the length and width combinations. To the extent a roll or sheet of welded wire mesh falls within these permissible variations, it is within this scope.

ASTM specification A1064/A1064M also defines permissible oversteeling, which is the use of a heavier gauge wire with a larger cross-sectional area than nominally specified. It also permits a wire diameter tolerance of ± 0.003 inches for products up to W5/D5 and ± 0.004 for sizes over W5/D5. A producer may oversteel by increasing smooth or deformed wire diameter up to two whole number size increments on Table 1 of A1064. Subject wire mesh has the following actual wire diameter ranges, which account for both oversteeling and diameter tolerance:

W/D No.	Maximum Oversteeling No.	Diameter Range (inch)
1.4 (<i>i.e.</i> , 10 gauge)	3.4	0.093 to 0.211
2.1 (<i>i.e.</i> , 8 gauge)	4.1	0.161 to 0.231
2.9 (<i>i.e.</i> , 6 gauge)	4.9	0.189 to 0.253
4.0 (<i>i.e.</i> , 4 gauge)	6.0	0.223 to 0.280

To the extent a roll or sheet of welded wire mesh falls within the permissible variations provided above, it is within this scope.

In addition to the tolerances permitted in ASTM specification A1064/A1064M, wire mesh within this scope includes combinations where:

1. A width and/or length combination varies by \pm one grid size in any direction, *i.e.*, ± 6 inches in length or width where the wire mesh's grid size is "6X6"; and/or
2. The center-to-center spacing between individual wires may vary by up to one quarter of an inch from the nominal grid size specified.

Length is measured from the ends of any wire and width is measured between the center-line of end longitudinal wires.

Additionally, although the subject wire mesh typically meets ASTM A1064/A1064M, the failure to include certifications, test reports or other documentation establishing that the product meets this specification does not remove the product from the scope. Wire mesh made to comparable foreign specifications (*e.g.*, DIN, JIS, *etc.*) or proprietary specifications is included in the scope.

Excluded from the scope is wire mesh that is galvanized (*i.e.*, coated with zinc) or coated with an epoxy coating. In order to be excluded as galvanized, the excluded welded wire mesh must have a zinc coating thickness meeting the requirements of ASTM specification A641/A641M. Epoxy coating is a mix of epoxy resin and hardener that can be applied to the surface of steel wire.

Merchandise subject to this investigation are classified under Harmonized Tariff Schedule of the United States (HTSUS) categories 7314.20.0000 and 7314.39.0000. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Use of Adverse Facts Available
- IV. Subsidies Valuation Information
- V. Analysis of Programs
- VI. Analysis of Comments
 - Comment 1: Whether Commerce Properly Initiated this Investigation
 - Comment 2: Whether Commerce Should Amend the Scope to Explicitly Exclude Engineered Wire Mesh
 - Comment 3: Whether to Apply Adverse Facts Available to Aceromex
 - Comment 4: Whether Commerce Should Countervail Certain Programs in the Final Determination
- VII. Recommendation

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