



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-588-874]

#### **Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2018-2019**

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

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that Nippon Steel Corporation (NSC) and Tokyo Steel Manufacturing Co., Ltd. (Tokyo Steel), producers and exporters of hot-rolled steel flat products (hot-rolled steel) from Japan, sold subject merchandise in the United States at prices below normal value during the period of review (POR) October 1, 2018 through September 30, 2019. In addition, Commerce preliminarily determines that Honda Trading Canada, Inc. (Honda), Panasonic Corporation (Panasonic), and Mitsui & CO., Ltd. (Mitsui) had no shipments during the POR. We invite interested parties to comment on these preliminary results.

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

**FOR FURTHER INFORMATION CONTACT:** Myrna Lobo or Jack Zhao, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2371 or (202) 482-1396, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

Commerce is conducting an administrative review of the antidumping duty order on hot-rolled steel from Japan in accordance with section 751(a)(1)(B) of Tariff Act of 1930, as

amended (the Act).<sup>1</sup> Commerce initiated this administrative review on December 11, 2019 covering 26 producers and/or exporters.<sup>2</sup> We selected NSC and Tokyo Steel as mandatory respondents.<sup>3</sup> On April 24, 2020, Commerce exercised its discretion to uniformly toll all statutory deadlines for antidumping and countervailing duty administrative reviews by 50 days.<sup>4</sup> On July 21, 2020, Commerce further tolled all statutory deadlines for antidumping and countervailing duty administrative reviews by another 60 days.<sup>5</sup> On October 13, 2020, we extended the deadline for the preliminary results of this review by an additional 120 days, in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), resulting in a deadline of February 17, 2021 for these preliminary results.<sup>6</sup> For a detailed 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 covered by the *Order* is hot-rolled steel from Japan. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.<sup>8</sup>

### Methodology

Commerce is conducting this administrative review in accordance with section 751(a) of the Act. Constructed export price and export price were calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act. For a full

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<sup>1</sup> *See Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 FR 67962 (October 3, 2016) (*Order*).

<sup>2</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 67712 (December 11, 2019) (*Initiation Notice*).

<sup>3</sup> *See* Memorandum “Respondent Selection for the 2018-2019 Antidumping Duty Administrative Review of Certain Hot-Rolled Steel Flat Products from Japan,” dated May 1, 2020.

<sup>4</sup> *See* Memorandum to the Record from Jeffrey I. Kessler, Assistant Secretary, Enforcement and Compliance, “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 to the Record from Jeffrey I. Kessler, Assistant Secretary, Enforcement and Compliance, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

<sup>6</sup> *See* Memorandum, “Certain Hot-Rolled Steel Flat Products from Japan: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review – 2018-2019,” dated October 13, 2020.

<sup>7</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Antidumping Duty Administrative Review: Certain Hot-Rolled Steel Flat Products from Japan; 2018-2019,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>8</sup> *Id.*

description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. 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 to ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an appendix to this notice. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Preliminary Determination of No Shipments

Among the companies under review, Honda, Panasonic and Mitsui each properly filed a statement reporting that it had made no shipments of subject merchandise to the United States during the POR. Commerce issued an instruction to the U.S. Customs and Border Protection (CBP) asking for any entry activity regarding Honda, Panasonic and Mitsui, and is awaiting CBP's response.<sup>9</sup> Based on the certifications submitted by Honda, Panasonic and Mitsui, and our analysis of CBP information currently on the record, we preliminarily determine that Honda, Panasonic and Mitsui had no shipments during the POR.<sup>10</sup> Consistent with its practice, Commerce finds that it is not appropriate to preliminarily rescind the review with respect to Honda, Panasonic and Mitsui, but rather to complete the review and issue appropriate instructions to CBP based on the final results of this review.

#### Rate for Non-Examined Companies

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<sup>9</sup> *See* No Shipment Inquiry to CBP, dated February 3 and 8, 2021.

<sup>10</sup> *See* Honda's Letter, "Administrative Review of Certain Hot-Rolled Steel Flat Products from Japan: Honda Trading Canada, Inc.'s No Shipment Certification," dated December 20, 2018; *see also* Panasonic's Letter, "Administrative Review of Certain Hot-Rolled Steel Flat Products from Japan: Panasonic Corporation No Shipment Certification," dated January 8, 2020; and Mitsui's Letter, "Antidumping Administrative Review of Certain Hot-Rolled Steel Flat Products from Japan: Mitsui No Shipment Certification," dated January 9, 2020.

The statute 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 weighted-average dumping margins for NSC and Tokyo Steel that are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, Commerce preliminarily has assigned to companies not individually examined a margin of 10.95 percent, which is the weighted average (using the publicly-ranged U.S. value) of NSC’s and Tokyo Steel’s calculated weighted-average dumping margins.<sup>11</sup>

#### Preliminary Results

We preliminarily determine the following weighted-average dumping margins for the period October 1, 2018 through September 30, 2019:

<b>Exporter/ Producer</b>	<b>Weighted-Average Dumping Margin (Percent)</b>
Nippon Steel Corporation/Nippon Steel Nisshin Co., Ltd./Nippon Steel Trading Corporation <sup>12</sup>	11.70
Tokyo Steel Manufacturing Co., Ltd.	6.80

<sup>11</sup> See Memorandum, “Review-Specific Average Rate for Non-Examined Companies,” dated concurrently with this memorandum.

<sup>12</sup> Commerce found in a changed circumstances review that NSC, Nippon Steel Nisshin Co., Ltd. (Nippon Nisshin), and Nippon Steel Trading Corporation (NSTC) are affiliated companies that should be treated as a single entity and as the successor-in-interest to Nippon Steel & Sumitomo Metal Corporation (NSSMC), Nisshin Steel Co., Ltd. (Nisshin Steel), and Nippon Steel & Sumikin Bussan Corporation (NSSBC), respectively. See *Certain Hot-Rolled Steel Flat Products from Japan: Notice of Final Results of Antidumping Duty Changed Circumstances Review*, 84 FR 46713 (September 5, 2019).

<b>Review-Specific Average Rate Applicable to the Following Companies<sup>13</sup></b>	
Hanwa Co., Ltd.	10.95
Higuchi Manufacturing America, LLC.	10.95
Higuchi Seisakusho Co., Ltd.	10.95
Hitachi Metals, Ltd.	10.95
JFE Steel Corporation/JFE Shoji Trade Corporation <sup>14</sup>	10.95
JFE Shoji Trade America	10.95
Kanematsu Corporation	10.95
Kobe Steel, Ltd.	10.95
Metal One Corporation	10.95
Miyama Industry Co., Ltd.	10.95
Nakagawa Special Steel Inc.	10.95
Nippon Steel & Sumikin Logistics Co., Ltd.	10.95
Okaya & Co. Ltd.	10.95
Saint-Gobain K.K.	10.95
Shinsho Corporation	10.95
Sumitomo Corporation	10.95
Suzukaku Corporation	10.95
Toyota Tsusho Corporation Nagoya	10.95

### Assessment Rates

<sup>13</sup> This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, de minimis, or based entirely on facts available. *See* section 735(c)(5)(A) of the Act. *See* Memorandum “Review-Specific Average Rate for Non-Examined Companies,” dated concurrently with this memorandum.

<sup>14</sup> We collapsed JFE Shoji Trade Corporation with JFE Steel Corporation in the underlying investigation. *See Certain Hot-Rolled Steel Flat Products from Japan: Preliminary Determination of Sales at Less than Fair Value and Postponement of Final Determination*, 81 FR 15222 (March 22, 2016), and accompanying Preliminary Decision Memorandum at 8-9.

Upon completion of the administrative review, Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries. For any individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (*i.e.*, less than 0.5 percent) in the final results of this review and the respondent reported reliable entered values, we will calculate importer-specific *ad valorem* assessment rates for the merchandise based on the ratio of the total amount of dumping calculated for the examined sales made during the POR to each importer and the total entered value of those same sales, in accordance with 19 CFR 351.212(b)(1). If the respondent has not reported reliable entered values, we will calculate a per-unit assessment rate for each importer by dividing the total amount of dumping calculated for the examined sales made to that importer by the total sales quantity associated with those transactions. Where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, *i.e.*, “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”<sup>15</sup>

For entries of subject merchandise during the POR produced by NSC and Tokyo Steel for which the producer did not know its merchandise was destined for the United States, or for any respondent for which we have a final determination of no shipments, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company (or companies) involved in the transaction.<sup>16</sup>

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<sup>15</sup> See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings; Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

<sup>16</sup> See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Requirements

The following deposit requirements will be effective upon publication of the notice of final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for each specific company listed above will be that 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 investigated companies not participating in this review, the cash deposit will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the company participated; (3) if the exporter is not a firm covered in this review, or the underlying investigation, but the manufacturer is, then the cash deposit rate will be the rate established for the most recent segment for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 5.58 percent, the all-others rate established in the less-than-fair-value investigation.<sup>17</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results of review to interested parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs

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<sup>17</sup> See *Order*.

no later than 30 days after the date of publication of this notice. Rebuttal briefs, the content of which is 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> Case and rebuttal briefs should be filed using ACCESS<sup>20</sup> and must be served on interested parties.<sup>21</sup> Executive summaries should be limited to five pages total, including footnotes.

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, filed electronically via Commerce's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days of the date of publication of this notice.<sup>22</sup> 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. If a request for a hearing is made, Commerce intends to hold the hearing at a date and time to be determined.<sup>23</sup> Parties should confirm the date, time, and location of the hearing two days before the scheduled date.

Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any case or rebuttal briefs, no later than 120 days after the date of publication of this notice, unless extended.<sup>24</sup>

### Notification to Importers

This notice 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

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<sup>18</sup> See 19 CFR 351.309(d).

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

<sup>20</sup> See generally 19 CFR 351.303.

<sup>21</sup> See 19 CFR 351.303(f).

<sup>22</sup> See 19 CFR 351.310(c).

<sup>23</sup> See 19 CFR 351.310(d).

<sup>24</sup> See section 751(a)(3)(A) of the Act; and 19 CFR 351.213(h).

to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce'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 these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: February 17, 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. Preliminary Determination of No Shipments
- V. Use of Facts Available and Adverse Facts Available
- VI. Rates for Non-Examined Companies
- VII. Discussion of the Methodology
- VIII. Currency Conversion
- IX. Recommendation

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