



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-876]

### Welded Line Pipe from the Republic of Korea: Final Results of Antidumping Duty

#### Administrative Review; 2020-2021

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) finds that certain producers/exporters subject to this administrative review made sales of subject merchandise at less than normal value (NV) during the period of review (POR) December 1, 2020, through November 30, 2021.

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

**FOR FURTHER INFORMATION CONTACT:** Adam Simons, 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) 482-6172.

#### SUPPLEMENTARY INFORMATION:

##### Background

On December 29, 2022, Commerce published the *Preliminary Results* of the 2020-2021 administrative review of the antidumping duty order on welded line pipe (WLP) from the republic of Korea (Korea) and invited interested parties to comment.<sup>1</sup> This review covers 31 producers/exporters of the subject merchandise. Commerce selected two companies, NEXTEEL

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<sup>1</sup> See *Welded Line Pipe from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2020-2021*, 87 FR 80156 (December 29, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

Co., Ltd. (NEXTEEL) and SeAH Steel Corporation (SeAH), for individual examination.<sup>2</sup> The producers/exporters not selected for individual examination are listed in Appendix II.

On February 6, 2023, we received case briefs from the Domestic Interested Parties,<sup>3</sup> NEXTEEL, and SeAH.<sup>4</sup> On February 14, 2023, we received rebuttal briefs from Domestic Interested Parties, NEXTEEL, and SeAH, as well as a letter in-lieu-of a rebuttal brief from Hyundai Steel Company.<sup>5</sup> On April 6, 2023, we postponed the final results to no later than June 27, 2023.<sup>6</sup> For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>7</sup>

### Scope of the Order<sup>8</sup>

The merchandise subject to the *Order* is welded line pipe.<sup>9</sup> The product is currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) item numbers: 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.5000, 7306.19.1010, 7306.19.1050, 7306.19.5110, and 7306.19.5150. Although the HTSUS numbers are provided for convenience and for customs purposes, the written product description remains dispositive.

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<sup>2</sup> See Memorandum, “Respondent Selection,” dated February 22, 2022.

<sup>3</sup> The Domestic Interested Parties are American Cast Iron Pipe Company, Dura-Bond Industries, Stupp Corporation, Welspun Global Trade LLC, and Axis Pipe & Tube.

<sup>4</sup> See Domestic Interested Parties’ Letter, “Case Brief,” dated February 6, 2023; NEXTEEL’s Letter, “NEXTEEL’s Case Brief,” dated February 6, 2023; and SeAH’s Letter, “Case Brief of SeAH Steel Corporation,” dated February 6, 2023.

<sup>5</sup> See Domestic Interested Parties’ Letter, “Rebuttal Brief,” dated February 14, 2023 (Domestic Interested Parties’ Rebuttal Brief); NEXTEEL’s Letter, “NEXTEEL’s Rebuttal Brief,” dated February 14, 2023 (NEXTEEL’s Rebuttal Brief); SeAH’s Letter, “Rebuttal Brief of SeAH Steel Corporation,” dated February 14, 2023 (SeAH’s Rebuttal Brief); and Hyundai Steel Company’s Letter, “Letter in Support of Mandatory Respondents’ Case and Rebuttal Briefs,” dated February 14, 2023.

<sup>6</sup> See Memorandum, “Extension of Deadline for Final Results of 2020 – 2021 Antidumping Duty Administrative Review,” dated April 6, 2023.

<sup>7</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results of the 2020-2021 Administrative Review of the Antidumping Duty Order on Welded Line Pipe from Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>8</sup> See *Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056, 75057 (December 1, 2015) (*Order*).

<sup>9</sup> For a complete description of the scope of the order, see *Preliminary Results* PDM at 3.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in Appendix I to this notice and addressed in the Issues and Decision Memorandum. Interested parties can find a complete discussion of these issues and the corresponding recommendations in this public memorandum, which 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 Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the calculation of the preliminary weighted-average dumping margins for NEXTEEL and SeAH.<sup>10</sup>

### Determination of No Shipments

As noted in the *Preliminary Results*, we received a no shipment claim from HiSteel Co., Ltd. (HiSteel) and preliminarily determined that HiSteel had no shipments during the POR.<sup>11</sup> We received no comments from interested parties with respect to this claim. Therefore, because the record indicates that HiSteel had no entries of subject merchandise to the United States during the POR, we continue to find that HiSteel had no shipments during the POR.

### Rates for Companies Not Selected for Individual Examination

Generally, Commerce looks to section 735(c)(5) of the Tariff Act of 1930, as amended (the Act), which provides instructions for calculating the all-others rate in an investigation, for guidance for 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

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<sup>10</sup> For a full description of changes, see Issues and Decision Memorandum.

<sup>11</sup> See *Preliminary Results*.

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 calculated a weighted-average dumping margin of 2.38 percent for NEXTEEL and a weighted-average dumping margin of 4.23 percent for SeAH. With two respondents under individual examination, Commerce normally calculates: (A) a weighted-average of the estimated dumping rates calculated for the examined respondents; (B) a simple average of the estimated dumping rates calculated for the examined respondents; and (C) a weighted-average of the estimated dumping rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters.<sup>12</sup>

Consistent with our practice, we have determined that 3.27 percent, which is the weighted average of NEXTEEL and SeAH’s margins based on publicly ranged data, will be assigned to the non-examined companies under section 735(c)(5)(A) of the Act.<sup>13</sup> These companies are listed in Appendix II.

### Final Results of the Review

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<sup>12</sup> See, e.g., *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

<sup>13</sup> For a complete analysis of the data, see Memorandum, “Calculation of the Cash Deposit Rate for Non-Selected Companies,” dated concurrently with this notice.

As a result of this review, we determine the following weighted-average dumping margins for the period December 1, 2020, through November 30, 2021:

<b>Producer or Exporter</b>	<b>Weighted-Average Dumping Margin (Percent)</b>
NEXTEEL Co., Ltd.	2.38
SeAH Steel Corporation	4.23
Companies Not Selected for Individual Review <sup>14</sup>	3.27

#### Disclosure of Calculations

We intend to disclose the calculations performed for NEXTEEL and SeAH in connection with these final results to interested parties within five days of the date of publication of this notice, in accordance with 19 CFR 351.224(b).

#### Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act , and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Pursuant to 19 CFR 351.212(b)(1), NEXTEEL reported the entered value of its U.S. sales such that 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. SeAH did not report the actual entered value for all of its U.S. sales; in such instances, we calculated importer-specific per-unit duty assessment rates by aggregating the total amount of antidumping duties calculated for the examined sales and dividing this amount by the total quantity of those sales. 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 assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the companies not selected for individual review, we used an assessment rate based on the weighted average of the cash deposit rates calculated for NEXTEEL and SeAH. The final

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<sup>14</sup> See Appendix II for a full list of these companies.

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 the future deposits of estimated duties where applicable.<sup>15</sup>

Commerce's "automatic assessment" practice will apply to entries of subject merchandise during the POR produced by NEXTEEL or SeAH 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.

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 cash 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 covered in this review will be equal to the weighted-average dumping margin that is 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 or reviewed 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 the company participated; (3) if the exporter is not a firm covered in this review, or the original less-

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<sup>15</sup> See section 751(a)(2)(C) of the Act.

than-fair-value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the cash deposit rate established for the most recently completed segment for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 4.38 percent, the all-others rate established in the LTFV investigation.<sup>16</sup> These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a final 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 double antidumping duties.

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

#### Notification to Interested Parties

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: June 26, 2023.

James Maeder,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations.

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<sup>16</sup> See Order.

## Appendix I

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Margin Calculations
- IV. Discussion of the Issues
  - Comment 1: Treatment of NEXTEEL's Non-Prime Products
  - Comment 2: NEXTEEL's Quarterly Cost
  - Comment 3: NEXTEEL's Suspended Production Lines
  - Comment 4: NEXTEEL's Obsolete Hot Rolled Steel Coil
  - Comment 5: Treatment of Cost of Goods Sold assigned to SeAH's Headquarters
  - Comment 6: SeAH's Scrap Offset
  - Comment 7: SeAH's General and Administrative Expenses
  - Comment 8: SeAH's Interest Expense Ratio
  - Comment 9: Reconciliation of State Pipe & Supply, Inc.'s Cost of Further Manufacturing
  - Comment 10: State Pipe's COGS Accounts
  - Comment 11: State Pipe's G&A Expenses
  - Comment 12: State Pipe's Loan Forgiveness
  - Comment 13: Whether SeAH's Reported Movement Expenses Should Be Deducted from its Home Market Price
  - Comment 14: Whether Commerce Should Use SeAH's Reported Surrogate Costs
  - Comment 15: SeAH's Constructed Export Price Offset
  - Comment 16: Differential Pricing Methodology
  - Comment 17: SeAH's Assessment Rates
- V. Recommendation

## Appendix II

### List of Companies Not Selected for Individual Review Receiving the Review-Specific Rate

1. AJU BESTEEL Co., Ltd.
2. BDP International, Inc.
3. Daewoo International Corporation
4. Dong Yang Steel Pipe
5. Dongbu Incheon Steel Co.
6. Dongbu Steel Co., Ltd.
7. Dongkuk Steel Mill
8. EEW Korea Co., Ltd.
9. Husteel Co., Ltd.
10. Hyundai RB Co. Ltd.
11. Hyundai Steel Company/Hyundai HYSCO
12. Kelly Pipe Co., LLC
13. Keonwoo Metals Co., Ltd.
14. Kolon Global Corp.
15. Korea Cast Iron Pipe Ind. Co., Ltd.
16. Kurvers Piping Italy S.R.L.
17. Miju Steel MFG Co., Ltd.
18. MSTEEL Co., Ltd.
19. Poongsan Valinox (Valtimet Division)
20. POSCO
21. POSCO Daewoo
22. R&R Trading Co. Ltd.
23. Sam Kang M&T Co., Ltd.
24. Sin Sung Metal Co., Ltd.
25. SK Networks
26. Soon-Hong Trading Company
27. Steel Flower Co., Ltd.
28. TGS Pipe
29. Tokyo Engineering Korea Ltd.

[FR Doc. 2023-13965 Filed: 6/29/2023 8:45 am; Publication Date: 6/30/2023]