



DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-831]

Prestressed Concrete Steel Wire Strand from Mexico: Initiation of Circumvention Inquiry on the Antidumping Duty Order

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

SUMMARY: In response to a request from Insteel Wire Products Company, Sumiden Wire Products Corporation, and Wire Mesh Corp. (collectively, the requestors), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether imports of certain high carbon steel (HCS) wire from Mexico that are assembled or completed into prestressed concrete steel wire strand (PC strand) in the United States, are circumventing the antidumping duty order on PC strand from Mexico.

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

FOR FURTHER INFORMATION CONTACT: Craig Matney or Jonathan Schueler, Office VIII, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2429 and (202) 482-9175, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 9, 2023, pursuant to section 781(a) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.226(c), the requestors filed a circumvention inquiry request alleging that imports of HCS wire manufactured in Mexico and completed into PC strand in the United States

are circumventing the antidumping duty order on PC strand from Mexico¹ and, accordingly, should be included within the scope of the *Order*.²

Scope of the *Order*

The merchandise covered by this *Order* is PC strand. Merchandise covered by the *Order* is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). While the HTSUS subheading and are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive. For a complete description of the scope, *see* the attachment to the Initiation Checklist.³

Merchandise Subject to the Circumvention Inquiry

This circumvention inquiry covers HCS wire imported from Mexico. The HCS wire has a high carbon content (*i.e.*, 0.78-0.85 percent), is not heat treated, and has a diameter less than 4.50 millimeters. The HCS wire is assembled or completed in the United States by stranding the HCS wire to produce PC strand of the type that would be subject to the *Order*.

Initiation of Circumvention Inquiry

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations requires that each request for a circumvention inquiry allege "the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these

¹ *See Notice of Antidumping Duty Order: Prestressed Concrete Steel Wire Strand from Mexico*, 69 FR 4112 (January 28, 2004) (*Order*).

² *See* Requestors' Letter, "Prestressed Concrete Steel Wire Strand From Mexico – Petitioners' Request for Circumvention Ruling Pursuant to Section 781(a), as Amended," dated June 9, 2023 (Circumvention Inquiry Request).

³ *See* Checklist, "Initiation of the Circumvention Inquiry on the Antidumping Duty Order," dated concurrently with, and hereby adopted by, this notice (Initiation Checklist), at Attachment.

allegations.” The requestors alleged circumvention pursuant to section 781(a) of the Act (merchandise completed or assembled in the United States).

According to section 781(a)(1) of the Act, after taking into account any advice provided by the U.S. International Trade Commission (ITC) under section 781(e) of the Act, Commerce may find the imported parts or components referred to in subparagraph (B) that are used in the completion or assembly of the merchandise in the United States to be covered by the scope of an order if: (A) merchandise sold in the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an antidumping duty order or finding or a countervailing duty order; (B) such merchandise sold in the United States is completed or assembled in the United States from parts or components produced in the foreign country with respect to which such order or finding applies; (C) the process of assembly or completion in the United States referred to in subparagraph (B) is minor or insignificant; and (D) the value of the parts or components referred to in subparagraph (B) is a significant portion of the total value of the merchandise.

In determining whether the process of assembly or completion in the United States is minor or insignificant under section 781(a)(1)(C) of the Act, section 781(a)(2) of the Act directs Commerce to consider: (A) the level of investment in the United States; (B) the level of research and development in the United States; (C) the nature of the production process in the United States; (D) the extent of production facilities in the United States; and (E) whether the value of processing performed in the United States represents a small proportion of the value of the merchandise sold in the United States.

In addition, section 781(a)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in the United States within the scope of an antidumping or countervailing duty order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the parts or components is affiliated with the person who

assembles or completes the merchandise sold in the United States from the parts or components produced in the foreign country to which the order applies; and (C) whether imports into the United States of the parts or components produced in such foreign country have increased after the initiation of the investigation which resulted in the issuance of such order or finding.

Based on our analysis of the requestors' circumvention inquiry request, we determine that the requestors satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(ii), we have accepted the request and are initiating the requested circumvention inquiry of the *Order*. For a full discussion of the basis for our decision to initiate the requested circumvention inquiry, *see* the Initiation Checklist. Moreover, as explained in the Initiation Checklist, we are initiating a country-wide circumvention inquiry. Commerce has taken this approach in prior circumvention inquiries where the facts warranted initiation on a country-wide basis.⁴

Consistent with the approach taken in prior circumvention inquiries that Commerce initiated on a country-wide basis, we intend to solicit information from producers and exporters in Mexico concerning shipments of Mexican HCS wire to the United States to be stranded into PC strand in the United States. A company's failure to completely respond to Commerce's requests for information may result in the application of partial or total facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

⁴ *See, e.g., Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order*, 82 FR 40556, 40560 (August 25, 2017) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 81 FR 79454, 79458 (November 14, 2016) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted).

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify U.S. Customs and Border Protection (CBP) of its initiation of the requested circumvention inquiry and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiry that were already subject to the suspension of liquidation and to apply the cash deposit rate that would be applicable if the products were determined to be covered by the scope of the *Order*. Should Commerce issue a preliminary or final circumvention determination, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(a) of the Act, Commerce has determined that the requestors' request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of a circumvention inquiry to determine whether U.S. imports of HCS wire, which are imported from Mexico and produced into PC strand and sold in the United States, are circumventing the *Order*. A description of the products that are subject to the circumvention inquiry, and an explanation of the reasons for Commerce's decision to initiate this inquiry, are included in the accompanying Initiation Checklist. In accordance with 19 CFR 351.226(e)(1), Commerce intends to issue its preliminary determination in this circumvention inquiry no later than 150 days from the date of publication of this notice in the *Federal Register*.

This notice is published in accordance with section 781(a) of the Act and 19 CFR 351.226(d)(1)(ii).

Dated: July 24, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.