



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-104, C-570-105]

Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China;

Carbon and Alloy Steel Threaded Rod from the People's Republic of China:

Affirmative Preliminary Determination of Circumvention of the Antidumping and

Countervailing Duty Orders

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that imports of unthreaded pins of alloy steel from China are circumventing the antidumping duty (AD) order on alloy and certain carbon steel threaded rod from China and the countervailing duty (CVD) order on carbon and alloy steel threaded rod from China. We invite interested parties to comment on the preliminary determination.

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

FOR FURTHER INFORMATION CONTACT: Robert Galantucci, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2923.

SUPPLEMENTARY INFORMATION:

Background

On July 12, 2023, pursuant to section 781(a) of the Tariff Act of 1930, as amended (the Act), Commerce initiated these circumvention inquiries concerning unthreaded pins of alloy steel exported from China, which are further processed in the United States, into steel threaded

rod.¹ Commerce provided opportunities for interested parties to identify respondents in these inquiries² and also solicited information on the quantity and value of sales, exports, or shipments of unthreaded pins from publicly-identified Chinese exporters and U.S. importers/processors.³ On October 13, 2023, Commerce selected importers Birmingham Fastener Inc. / Houston Fastener Mfg. Inc. (Birmingham) and Dan Loc Group LLC (Dan Loc), and exporters Jiashan Steelfit Trading Co., Ltd. (Steelfit) and Ningbo Zhenghai Yongding Fastener Co., Ltd. (Yongding Fastener),⁴ as mandatory respondents to our questionnaires.⁵

We received responses to initial and supplemental questionnaires from Birmingham, Dan Loc, and Steelfit, as well as a response to our initial questionnaire from Yongding Fastener. However, after initially participating in these inquiries, Yongding Fastener subsequently failed to respond to a request for additional necessary information from Commerce. For a complete description of the events that followed the initiation of these inquiries, *see* the Preliminary Decision Memorandum.⁶

Scope of the *Orders*

The merchandise covered by the scope of the *AD Order*⁷ is alloy and certain carbon steel threaded rod from China. The merchandise covered by the scope of the *CVD Order*⁸ is

¹ *See Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China; Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Initiation of Circumvention Inquiries on the Antidumping Duty Order and Countervailing Duty Order*, 88 FR 44277 (July 12, 2023) (*Initiation Notice*).

² *Id.*, 88 FR at 44279.

³ *Id.*; *see also* Memorandum, "Confirmation of Delivery of Antidumping Questionnaire; Comments," dated October 4, 2023.

⁴ Yongding Fastener exports through an affiliated trading company, *i.e.*, Ningbo Ningding Import & Export Co. Ltd. *See* Yongding Fastener's Letter, "Response of Ningbo Yongding to Questionnaire Dated October 16, 2023," dated November 12, 2023, at 1.

⁵ *See* Memorandum, "Respondent Selection," dated October 13, 2023.

⁶ *See* Memorandum, "Circumvention Inquiries Regarding Antidumping Duty Order on Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China and Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Decision Memorandum," dated concurrently, and hereby adopted, with this notice (Preliminary Decision Memorandum).

⁷ *See Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Antidumping Duty Order*, 85 FR 19929 (April 9, 2020) (*AD Order*).

⁸ *See Carbon and Alloy Steel Threaded Rod from India and the People's Republic of China: Countervailing Duty Orders*, 85 FR 19927 (April 9, 2020) (*CVD Order*). We collectively refer to the *AD Order* and the *CVD Order* as the *Orders*.

carbon and alloy steel threaded rod from China. For a full description of the scopes, *see* the Preliminary Decision Memorandum.

Merchandise Subject to the Circumvention Inquiries

These circumvention inquiries cover unthreaded pins of alloy steel exported from China which are further processed into alloy steel threaded rod in the United States. Unthreaded pins of alloy steel are unthreaded rod, bar, or studs, having a solid, circular cross section of any diameter, in any straight length, and are non-headed. Unthreaded pins may enter unchamfered or with their ends already chamfered. Such pins may also be referenced as “pitch diameter stud blanks” or “blanks.” Unthreaded pins of alloy steel are believed to enter under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090, 7228.60.8000, 7318.15.2095, 7318.19.0000, and 7318.29.0000, several of which also cover alloy steel threaded rod.

Methodology

Commerce made these preliminary findings of circumvention in accordance with section 781(a) of the Act and 19 CFR 351.226. We relied on information placed on the record by the petitioners,⁹ U.S. importers/processors, and Chinese suppliers. Further, because Chinese supplier Yongding Fastener failed to cooperate in these inquiries, *i.e.*, by failing to respond to a request for information and failing to participate to the best of its ability, we have used adverse inferences when selecting from among the facts otherwise available on the record, pursuant to sections 776(a) and (b) of the Act.¹⁰ Also, as adverse facts available, we are treating Yongding Fasteners and Ningding I&E, its affiliated trading company, as a single entity.

For a complete description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public

⁹The petitioner is Vulcan Threaded Products Inc.

¹⁰*See* Preliminary Decision Memorandum at Section VI.

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 <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. A list of the topics discussed in the Preliminary Decision Memorandum is attached at Appendix I to this notice.

Preliminary Affirmative Determination of Circumvention

Based on our analysis, as detailed in the Preliminary Decision Memorandum, we preliminarily find, pursuant to section 781(a) of the Act, that imports of unthreaded pins of alloy steel from China that are further processed in the United States into subject merchandise are circumventing the *Orders*.

Certification Requirements

To administer this affirmative preliminary circumvention determination, Commerce is requiring that importers of unthreaded pins of alloy steel from China which will not be threaded into subject merchandise certify that such pins will not be further processed into subject alloy steel threaded rod. Importers will be required to submit a copy of the importer certification as part of the entry summary by uploading them into the document imaging system (or "DIS") in ACE, and to provide U.S. Customs and Border Protection (CBP) and/or Commerce with the importer certification, and any supporting documentation, upon request of either agency.¹¹ Properly certified entries are not subject to AD/CVD duties under the *Orders*. Exemption from AD/CVD duties under the *Orders* is permitted only if the certification and documentation requirements specified in Appendices II and III are met.

Entries of unthreaded pins of alloy steel produced and/or exported by Yongding Fastener or Ningding I&E are not eligible for certification.

Suspension of Liquidation and Cash Deposit Requirements

¹¹ The importer certification is provided at Appendix III.

In accordance with 19 CFR 351.226(l)(2), we will direct CBP to continue the suspension of liquidation of previously suspended entries and to suspend liquidation of all entries of unthreaded pins of alloy steel from China that are entered, or withdrawn from warehouse, for consumption on or after July 12, 2023 (*i.e.*, the date of publication of the *Initiation Notice*).¹² Pursuant to 19 CFR 351.226(l)(2), we will also instruct CBP to require AD and CVD cash deposits for unthreaded pins of alloy steel from China for each unliquidated entry of unthreaded pins of alloy steel from China that have been entered, or withdrawn from warehouse, for consumption on or after July 12, 2023.

For entries of unthreaded pins of alloy steel for which the exporter has a company-specific cash deposit rate under the *AD Order*, the cash deposit rate will be the company-specific AD cash deposit rate established for that company in the most recently-completed segment of the proceeding. For all Chinese exporters of unthreaded pins of alloy steel that do not have a company-specific cash deposit rate under the *AD Order*, the AD cash deposit rate will be the cash deposit rate for the China-wide entity (*i.e.*, 48.91 percent);¹³ for all non-Chinese exporters of unthreaded pins of alloy steel which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter.

For entries of unthreaded pins of alloy steel for which the producer and/or exporter has a company-specific cash deposit rate under the *CVD Order*, the cash deposit rate will be the company-specific CVD cash deposit rate established for that company in the most recently-completed segment of the proceeding. For all Chinese producers and/or exporters of

¹² See generally *Initiation Notice*. We note that the petitioner has suggested that Commerce direct CBP to suspend entries earlier, pursuant to 19 CFR 351.226(l)(iii)(B). However, Commerce has determined that the appropriate date in this case is the date of initiation, pursuant to 19 CFR 351.226(l)(iii)(A).

¹³ See *Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2021-2022*, 88 FR 18117 (March 27, 2023).

unthreaded pins of alloy steel that do not have a company-specific cash deposit rate under *CVD Order*, the CVD cash deposit rate will be the “all others” rate (*i.e.*, 41.17 percent).¹⁴

These suspension of liquidation instructions and cash deposit requirements will remain in effect until further notice.

Public Comment

Pursuant to 19 CFR 351.226(f)(4), interested parties are invited to comment on this preliminary determination of circumvention and may submit case briefs and/or written comments within 14 days of the publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than seven days after the date on which case briefs are due. 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.

As provided under 19 CFR 351.309(c)(2) and (d)(2), in prior proceedings we have encouraged interested parties to provide an executive summary of their brief that should be limited to five pages total, including footnotes. In this these inquiries, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹⁵ Further, we request that interested parties limit their executive summary of each issue to no more than 450 words, not including citations. We intend to use the executive summaries as the basis of the comment summaries included in the issues and decision memorandum that will accompany the final determination in these inquires. We request that interested parties include footnotes for relevant citations in the executive summary of each issue. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).¹⁶

¹⁴ See *Carbon and Alloy Steel Threaded Rod from India and the People’s Republic of China: Countervailing Duty Orders*, 85 FR 19927, 19928 (April 9, 2020).

¹⁵ We use the term “issue” here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹⁶ See also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023).

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 the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce will inform parties of the time and date for the hearing. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date of the hearing.

U.S. International Trade Commission (ITC) Notification

Consistent with section 781(e) of the Act, Commerce is notifying the ITC of this affirmative preliminary determination to include the merchandise subject to these inquiries within the *Orders*. Pursuant to section 781(e) of the Act, the ITC may request consultations concerning Commerce's proposed inclusion of the inquiry merchandise. These consultations must be concluded within 15 days after the date of the request. If, after consultations, the ITC believes that a significant injury issue is presented by the proposed inclusion, it will have 60 days to provide written advice to Commerce.

Notification to Interested Parties

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

Dated: March 8, 2024.

Ryan Majerus,
*Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.*

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Orders*
- IV. Merchandise Subject to the Circumvention Inquiries
- V. Period of the Circumvention Inquiries
- VI. Application of Facts Available and Use of Adverse Inferences
- VII. Statutory and Regulatory Framework for the Circumvention Inquiries
- VIII. Analysis for the Circumvention Inquiries
- IX. Country-Wide Determination
- X. Certification Requirement
- XI. Recommendation

Appendix II

Certification Requirements

Importers are required to complete and maintain the applicable importer certification and retain all supporting documentation for the certification. With the exception of the entries described below, the importer certification must be completed, signed, and dated by the time the entry summary is filed for the relevant entry. The importer, or the importer's agent, must transmit the importer's certification to CBP as part of the entry process by uploading it into the document imaging system (DIS) in ACE. Where the importer uses a broker to facilitate the entry process, it should obtain the entry summary number from the broker. Agents of the importer, such as brokers, however, are not permitted to certify on behalf of the importer.

Additionally, the claims made in certifications and any supporting documentation are subject to verification by Commerce and/or CBP. Importers are required to maintain certifications and supporting documentation until the later of: (1) the date that is five years after the latest entry date of the entries covered by the certification; or (2) the date that is three years after the conclusion of any litigation in United States courts regarding such entries.

For all unthreaded pins of alloy steel from China that were entered, or withdrawn from warehouse, for consumption during the period July 12, 2023 (*i.e.*, the date of publication of the *Initiation Notice*), through the date of publication of this preliminary determination in the *Federal Register*, where the entry has not been liquidated, the relevant certification should be completed and signed as soon as practicable, but not later than 45 days after the date of publication of this preliminary determination in the *Federal Register*. For such entries, importers have the option to complete a blanket certification covering multiple entries, individual certifications for each entry, or a combination thereof.

For unliquidated entries (and entries for which liquidation has not become final) of unthreaded pins of alloy steel from China that were declared as non-AD/CVD type entries

(*e.g.*, type 01) and entered, or withdrawn from warehouse, for consumption in the United States during the period July 12, 2023 (*i.e.*, the date of publication of the *Initiation Notice*) through the date of publication of this preliminary determination in the *Federal Register*, for which none of the above certifications may be made, importers must file a Post Summary Correction with CBP, in accordance with CBP's regulations, regarding conversion of such entries from non-AD/CVD type entries to AD/CVD type entries (*e.g.*, type 01 to type 03). The importer should pay cash deposits on those entries consistent with the regulations governing post summary corrections that require payment of additional duties.

If it is determined that an importer has not met the certification and/or related documentation requirements for certain entries, Commerce intends to instruct CBP to suspend, pursuant to this preliminary country-wide affirmative determination of circumvention and the *Orders*, all unliquidated entries for which these requirements were not met and to require the importer to post applicable AD and CVD cash deposits equal to the rates noted above.

Interested parties may comment in their case briefs on these certification requirements, and on the certification language contained in Appendix III to this notice.

Appendix III

Importer Certification

I hereby certify that:

(A) My name is {IMPORTING COMPANY OFFICIAL'S NAME} and I am an official of {NAME OF IMPORTING COMPANY}, located at {ADDRESS OF IMPORTING COMPANY}.

(B) I have direct personal knowledge of the facts regarding the importation into the Customs territory of the United States of unthreaded pins of alloy steel produced in China that entered under the entry summary number(s), identified below, and which are covered by this certification. Unthreaded pins of alloy steel are unthreaded rod, bar, or studs, having a solid, circular cross section of any diameter, in any length, and are non-headed. Unthreaded pins may enter unchamfered or with their ends already chamfered. Such pins may also be referenced as "pitch diameter stud blanks" or "blanks."

"Direct personal knowledge" refers to facts the certifying party is expected to have in its own records. For example, the importer should have direct personal knowledge of the importation of the product (*e.g.*, the name of the exporter and producer) in its records.

(C) If the importer is acting on behalf of the first U.S. customer, include the following sentence as paragraph C of this certification:

The unthreaded pins of alloy steel covered by this certification were imported by {IMPORTING COMPANY} on behalf of {U.S. CUSTOMER}, located at {ADDRESS OF U.S. CUSTOMER}.

If the importer is not acting on behalf of the first U.S. customer, include the following sentence as paragraph C of this certification:

{NAME OF IMPORTING COMPANY} is not acting on behalf of the first U.S. customer.

(D) The imported unthreaded pins of alloy steel covered by this certification were shipped to {NAME OF PARTY TO WHOM MERCHANDISE WAS FIRST SHIPPED IN THE UNITED STATES}, located at {ADDRESS OF SHIPMENT}.

(E) Select appropriate statement below:

I have direct personal knowledge of the facts regarding the end use of the imported product because my company is the end user of the imported product covered by this certification and I certify that the unthreaded pins of alloy steel will not be used to produce subject merchandise. "Direct personal knowledge" includes information contained within my company's books and records.

I have personal knowledge of the facts regarding the end use of the imported product because my company is not the end user of the imported product covered by this certification. However, I have been able to contact the end user of the imported product and confirm that it will not use this product to produce subject merchandise. The end user of the imported product is {COMPANY NAME} located at {ADDRESS}. "Personal knowledge" includes

facts obtained from another party (e.g., correspondence received by the importer from the end user of the product).

(F) The imported unthreaded pins of alloy steel from China covered by this certification were not produced and/or exported by either Ningbo Zhenghai Yongding Fastener Co., Ltd. or Ningbo Ningding Import & Export Co. Ltd.

(G) This certification applies to the following entries (repeat this block as many times as necessary):

Entry Summary #:

Entry Summary Line Item #:

Foreign Seller:

Foreign Seller's Address:

Foreign Seller's Invoice #:

Foreign Seller's Invoice Line Item #:

Producer:

Producer's Address:

(H) I understand that {NAME OF IMPORTING COMPANY} is required to maintain a copy of this certification and sufficient documentation supporting this certification (*i.e.*, documents maintained in the normal course of business, or documents obtained by the certifying party, for example, mill certificates, production records, invoices, *etc.*) for the later of: (1) a period of five years from the date of entry; or (2) a period of three years after the conclusion of any litigation in the United States courts regarding such entries.

(I) I understand that {IMPORTING COMPANY} is required to submit a copy of the importer certification as part of the entry summary by uploading it into the document imaging system (DIS) in ACE, and to provide U.S. Customs and Border Protection (CBP) and/or the U.S. Department of Commerce (Commerce) with the importer certification, and any supporting documentation, upon request of either agency.

(J) I understand that the claims made herein, and the substantiating documentation, are subject to verification by CBP and/or Commerce.

(K) I understand that failure to maintain the required certifications, and/or failure to substantiate the claims made herein, and/or failure to allow CBP and/or Commerce to verify the claims made herein, may result in a *de facto* determination that all entries to which this certification applies are within the scope of the antidumping/countervailing duty orders on steel threaded rod from China. I understand that such finding will result in:

(i) suspension of liquidation of all unliquidated entries (and entries for which liquidation has not become final) for which these requirements were not met;

(ii) the requirement that the importer post applicable antidumping duty and/or countervailing duty cash deposits (as appropriate) equal to the rates determined by Commerce; and

(iii) the importer no longer being allowed to participate in the certification process.

(L) I understand that agents of the importer, such as brokers, are not permitted to make this certification. Where a broker or other party was used to facilitate the entry process, {NAME

OF IMPORTING COMPANY} obtained the entry summary number and date of entry summary from that party.

(M) This certification was completed at or prior to the date of entry summary or within 45 days of the date on which Commerce published notice of its preliminary circumvention findings in the *Federal Register*.

(N) I am aware that U.S. law (including, but not limited to, 18 U.S.C. section 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. government.

Signature

{NAME OF COMPANY OFFICIAL}

{TITLE}

[FR Doc. 2024-05464 Filed: 3/13/2024 8:45 am; Publication Date: 3/14/2024]