



DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[C-570-105]

Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2022

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

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Ningbo Zhenghai Yongding Fastener Co., Ltd. (Yongding), a producer/exporter of carbon and alloy steel threaded rod (threaded rod) from the People's Republic of China (China), received countervailable subsidies during the period of review (POR) January 1, 2022, through December 31, 2022. In addition, Commerce is rescinding this review, in part, with respect to four companies. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Bryan Hansen or Thomas Schauer, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3683 or (202) 482-0410, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 9, 2020, Commerce published in the *Federal Register* the countervailing duty order on threaded rod from China.¹ On June 12, 2023, based on timely requests for an

¹ See *Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Countervailing Duty Orders*, 85 FR 19927 (April 9, 2020) (*Order*).

administrative review, Commerce published in the *Federal Register* the notice of initiation of this administrative review of the *Order* with respect to five companies.² On December 11, 2023, Commerce extended the deadline for the preliminary results of this review until April 26, 2024.³

For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included 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 is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The merchandise subject to the *Order* are threaded rod from China. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, In Part

In accordance with 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if all parties that requested the review withdraw their requests within 90 days of the date of publication of the notice of initiation of the requested review. Commerce is rescinding this administrative, in part, pursuant to 19 CFR 351.213(d)(1), for the following parties that requested an administrative review and timely withdrew their review requests:

Ningbo Dingtuo Imp. & Exp. Co., Ltd.; Ningbo Dongxin High-Strength Nut Co., Ltd.; Ningbo Jinding Fastening Piece Co., Ltd.; Ningbo Zhongjiang High Strength Bolts Co., Ltd.; and Ningbo

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 88 FR 38021, 38031, 38034 n.13 (June 12, 2023) (*Initiation Notice*).

³ *See* Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review, 2022," dated December 11, 2023.

⁴ *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People's Republic of China; 2022," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

Zhongmin Metal Product Co., Ltd.⁵ For further information, *see* the “Final Rescission of Administrative Review, In Part” section in the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.⁷

Preliminary Results of Review

Commerce preliminarily determines that the following net countervailable subsidy rate exists for the period January 1, 2022, through December 31, 2022:

| Company | Subsidy Rate (percent <i>ad valorem</i>) |
|--|---|
| Ningbo Zhenghai Yongding Fastener Co., Ltd. ⁸ | 17.39 |

Disclosure and Public Comment

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

⁵ Commerce previously found Ningbo Zhongmin Metal Product Co., Ltd. to be a cross-owned affiliate of Ningbo Zhongjiang High Strength Bolts Co., Ltd. *See Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 36578 (July 29, 2019), and accompanying Preliminary Decision Memorandum at 2 and 27-28, unchanged in *Carbon and Alloy Steel Threaded Rod From the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 85 FR 8833 (February 18, 2020) (*Final Determination*), and accompanying Issues and Decision Memorandum at Comment 7. Accordingly, we initiated this review with respect to Ningbo Zhongjiang High Strength Bolts Co., Ltd. and its cross-owned entity, Ningbo Zhongmin Metal Product Co., Ltd. *See Initiation Notice*.

⁶ *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.

⁷ *See* Preliminary Decision Memorandum at 8-38.

⁸ As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds Ningbo Yongzan Machinery Parts Co., Ltd. to be cross-owned with Ningbo Zhenghai Yongding Fastener Co., Ltd.

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of these preliminary results of review in the *Federal Register*.⁹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁰ Interested parties who submit case briefs or rebuttal briefs in this proceeding must submit: (1) a table of contents listing each issue; and (2) a table of authorities.¹¹

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 review, we instead request that interested parties provide at the beginning of their briefs a public, executive summary for each issue raised in their briefs.¹² 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 results in this administrative review. 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).¹³

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, U.S. Department of Commerce, filed electronically via ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address, and telephone

⁹ See 19 CFR 351.309(c)(1)(ii).

¹⁰ See 19 CFR 351.309(d); see also *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069, 67077 (September 29, 2023) (*APO and Service Final Rule*).

¹¹ See 19 CFR 351.309(c)(2) and (d)(2)

¹² We use the term "issue" here to describe an argument that Commerce would normally address in a comment of the Issues and Decision Memorandum.

¹³ See *APO and Service Final Rule*.

number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. All submissions, including case and rebuttal briefs, as well as hearing requests, should be filed using ACCESS.¹⁴ An electronically-filed document must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Time on the established deadline.

Final Results of Review

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

In accordance with section 751(a)(2)(C) of the Act and 19 CFR 351.221(b)(4)(i), we preliminarily determined subsidy rates in the amount for Yongding. Consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), upon issuance of the final results, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend 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).

For the companies for which this review is rescinded with these preliminary results, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2022, through December 31, 2022, in

¹⁴ See 19 CFR 351.303.

accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Requirements

In accordance with section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of the estimated countervailing duties in the amount calculated in the final results of this administrative review for Yongding with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate (*i.e.*, 41.17 percent)¹⁵ for the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, 19 CFR 351.213(d)(4) and (h)(2), and 19 CFR 351.221(b)(4).

Dated: March 27, 2024.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

¹⁵ See *Final Determination*.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Rescission of Administrative Review, In Part
- V. Diversification of China's Economy
- VI. Use of Facts Otherwise Available and Application of Adverse Inferences
- VII. Subsidies Valuation
- VIII. Benchmarks and Interest Rates
- IX. Analysis of Programs
- X. Recommendation

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