



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-201-847]

### Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review; 2021-2022

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that producers/exporters of heavy-walled rectangular welded carbon steel pipes and tubes (HWR pipes and tubes) made sales of subject merchandise at less than normal value during the period of review (POR), September 1, 2021, through August 31, 2022.

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

**FOR FURTHER INFORMATION CONTACT:** David Crespo, 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) 482-3693.

### SUPPLEMENTARY INFORMATION:

#### Background

On October 5, 2023, Commerce published in the *Federal Register* the preliminary results of the 2021-2022 administrative review<sup>1</sup> of the antidumping duty order on heavy-walled rectangular welded carbon steel pipes and tubes from Mexico.<sup>2</sup> The review covers 12

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<sup>1</sup> See *Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2021-2022*, 88 FR 69127 (October 5, 2023) (*Preliminary Results*).

<sup>2</sup> See *Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865 (September 13, 2016) (*Order*).

companies, including two mandatory respondents, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa), for individual examination. We invited interested parties to comment on the *Preliminary Results*.<sup>3</sup> We received case briefs from Maquilacero, Prolamsa, and Nucor Tubular Products Inc. (*i.e.*, the petitioner)<sup>4</sup> and received rebuttal briefs from Maquilacero, Prolamsa, and the petitioner.<sup>5</sup> For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>6</sup> Commerce conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act).

### Scope of the Order

The products covered by the *Order* are HWR pipes and tubes from Mexico. A complete description of the scope of the *Order* is contained in the Issues and Decision Memorandum.

### Analysis of Comments Received

All issues raised in case and rebuttal briefs by interested parties in this administrative review are addressed in the Issues and Decision Memorandum and are listed in the appendix to this notice. The Issues and 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 Issues and Decision

Memorandum can be accessed directly at

<https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Changes Since the *Preliminary Results*

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<sup>3</sup> See *Preliminary Results*.

<sup>4</sup> See Maquilacero's Letter, "Maquilacero S.A. de C.V.'s Case Brief," dated November 10, 2023; Prolamsa's Letter, "Case Brief and Request to Participate in Hearing, if Held," dated November 13, 2023; and Petitioner's Letter, "Case Brief," dated November 14, 2023.

<sup>5</sup> See Maquilacero's Letter, "Maquilacero S.A. de C.V.'s Rebuttal Brief," dated November 21, 2023; Prolamsa's Letter, "Rebuttal Brief," dated November 21, 2023; and Petitioner's Letter, "Rebuttal Brief," dated November 21, 2023.

<sup>6</sup> See Memorandum, "Issues and Decision Memorandum for the Final Results of the 2021-2022 Administrative Review of the Antidumping Duty Order on Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Based on a review of the record and comments received from interested parties regarding the *Preliminary Results*, and for the reasons explained in the Issues and Decision Memorandum, we made certain changes to the weighted-average dumping margin calculations for Maquilacero and Prolamsa for the final results of the review.<sup>7</sup>

#### Rates for Companies Not Selected for Individual Examination

The statute and Commerce's regulations do not address the establishment of a rate to be applied to individual companies not selected for 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 for calculating the all-others rate in an investigation, for guidance when calculating the rate for companies which Commerce did not examine 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 rates that are zero, *de minimis* (*i.e.*, less than 0.5 percent), or determined entirely on the basis of facts available.

For these final results of review, we calculated a weighted-average dumping margin for both mandatory respondents, Maquilacero and Prolamsa, that are not zero, *de minimis*, or based entirely on the basis of facts available. Accordingly, Commerce is assigning to the companies not individually examined, listed in the chart below, a margin which is the weighted average of Maquilacero's and Prolamsa's calculated weighted-average dumping margins.<sup>8</sup>

#### Final Results of Review

As a result of this review, we determine the following weighted-average dumping margins exist for the period September 1, 2021, through August 31, 2022:

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<sup>7</sup> *Id.*

<sup>8</sup> See Memorandum, "Calculation of the Weighted-Average Dumping Margin for Non-Selected Companies for the Final Results," dated concurrently with this notice. As the weighting factor, we relied on the publicly ranged sales data reported in the quantity and value charts submitted by Maquilacero and Prolamsa.

<b>Exporter or Producer</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Maquilacero S.A. de C.V.	5.06
Productos Laminados de Monterrey S.A. de C.V.	2.28
<b>Review-Specific Average Rate Applicable to the Following Companies:</b>	
Aceros del Toro S.A. de C.V.	3.28
Aceros El Fraile S.A. de C.V.	3.28
Border Assembly S. de R.L. de C.V.	3.28
Buffalo Tube S.A. de C.V.	3.28
Fortacero S.A. de C.V.	3.28
Grupo Collado S.A. de C.V.	3.28
Perfiles y Herrerajes L.M. S.A. de C.V.	3.28
P.J. Trailers Company S.A. de C.V.	3.28
Placa y Fierro de Monterrey S.A. de C.V.	3.28
Regiomontana de Perfiles y Tubos S.A. de C.V.	3.28

### Disclosure

Commerce intends to disclose the calculations performed in connection with these final results of review to interested parties within five days after public announcement of the final results or, if there is no public announcement, within five days of the date of publication of the notice of final results in the *Federal Register*, 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), where the respondents reported the entered value of their U.S. Sales, Commerce calculated importer-specific *ad valorem* antidumping duty assessment rates based on the ratio of the total amount of dumping calculated for each importer's examined sales to the total entered value of those same sales. Where the respondents did not report entered value, we calculated 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 quantity associated with those sales. To determine whether an importer-specific, per-unit assessment rate is *de minimis*, in accordance with 19 CFR 351.106(c)(2), we also calculated an

importer-specific *ad valorem* ratio based on estimated entered values. Where either a 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 entries of subject merchandise during the POR produced by Maquilacero and Prolamsa for which it did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate such entries at the all-others rate established in the less-than-fair-value (LTFV) investigation of 4.91 percent *ad valorem*,<sup>9</sup> if there is no rate for the intermediate company(ies) involved in the transaction.

For the companies identified above that were not selected for individual examination, we will instruct CBP to liquidate entries at the rate equal to the weighted-average dumping margin identified above in the “Final Results of Review” section.

Commerce intends to issue assessment instructions to CBP no earlier than 41 days after the date of publication of the final results of this review in the *Federal Register*, in accordance with 19 CFR 356.8(a).

#### Cash Deposit Requirements

Upon publication of this notice in the *Federal Register*, 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) of the Act: (1) the cash deposit rate for the companies subject to this review will be equal to the weighted-average dumping margin established in these final results of the review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior completed segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published in the completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a prior

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<sup>9</sup> See *Order*, 81 FR 62865.

review, or the original LTFV investigation, but the producer is, then the cash deposit rate will be the rate established in the completed segment for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 4.91 percent, the all-others rate established in the LTFV investigation.<sup>10</sup> These cash 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 doubled antidumping duties.

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under the 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 the 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 violation which is subject to sanction.

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<sup>10</sup> *Id.*

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i) of the Act, and 19 CFR 351.221(b)(5).

Dated: April 2, 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

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

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Changes Since the *Preliminary Results*
- V. Discussion of the Issues
  - Comment 1: Whether to Recalculate Prolamsa's Surrogate Conversion Costs
  - Comment 2: Application of the Transactions Disregarded Rule for Heat Treatment Services
  - Comment 3: Adjustment to Prolamsa's Claimed Scrap Offset
  - Comment 4: Adjustment to Prolamsa's Extended Total Cost of Manufacturing (TOTCOM)
  - Comment 5: Adjustment to the Interest Expense Ratio Based on Financial Year (FY) 2022 Consolidated Financial Statements
  - Comment 6: Treatment of Home Market (HM) Sales in Prolamsa's Comparison Market Program
  - Comment 7: Adjustment to Prolamsa's Margin Program to Remove Duplicate U.S. Sales
  - Comment 8: Application of Adverse Facts Available (AFA) to Maquilacero
  - Comment 9: Adjustments to Maquilacero's Inventory Carrying Costs and Indirect Selling Expenses
  - Comment 10: Application of the Freight Revenue Cap for Abinsa S.A. de C.V. (Abinsa)
- VI. Recommendation

[FR Doc. 2024-07471 Filed: 4/8/2024 8:45 am; Publication Date: 4/9/2024]