



DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-931]

Certain High Chrome Cast Iron Grinding Media from India: Initiation of Countervailing Duty Investigation

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

DATES: Applicable May 16, 2024.

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SUPPLEMENTARY INFORMATION:

The Petition

On April 26, 2024, the U.S. Department of Commerce (Commerce) received a
countervailing duty (CVD) petition concerning imports of certain high chrome cast iron grinding
media (grinding media) from India filed in proper form on behalf of Magotteaux Inc. (the
petitioner),¹ a domestic producer of grinding media. The CVD petition was accompanied by an
antidumping duty (AD) petition concerning imports of grinding media from India.²

On April 30, 2024, Commerce requested supplemental information pertaining to certain
aspects of the Petition.³ On May 2, 2024, the petitioner filed responses to these requests for

¹ See Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties on Certain High Chrome Cast Iron Grinding Media from India," dated April 26, 2024 (Petition).

² *Id.*

³ See Commerce's Letters, "Supplemental Questions," dated April 30, 2024 (General Issues Questionnaire); and "Supplemental Questions," dated April 30, 2024.

additional information, and on May 8, 2024, the petitioner filed an amendment to the proposed scope.⁴

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that the Government of India (GOI) is providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of grinding media from India, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing grinding media in the United States. Consistent with section 702(b)(1) of the Act and 19 CFR 351.202(b), for those alleged programs on which we are initiating a CVD investigation, the Petition is supported by information reasonably available to the petitioner supporting its allegations.

Commerce finds that the petitioner filed the Petition on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support with respect to the initiation of the requested CVD investigation.⁵

Period of Investigation

Because the Petition was filed on April 26, 2024, the period of investigation (POI) is January 1, 2023, through December 31, 2023.⁶

Scope of the Investigation

The merchandise covered by this investigation are grinding media from India. For a full description of the scope of this investigation, *see* the appendix to this notice.

Comments on Scope of the Investigation

On April 30, 2024, Commerce requested information from the petitioner regarding the proposed scope to ensure that the scope language in the Petition is an accurate reflection of the

⁴ See Petitioner's Letters, "Response to Supplemental Questions (General Issues)," dated May 2, 2024 (General Issues Supplement); "Response to Supplemental Questions (Countervailing)," dated May 2, 2024; and "Scope Amendment," dated May 8, 2024 (Scope Amendment).

⁵ See section on "Determination of Industry Support for the Petition," *infra*.

⁶ See 19 CFR 351.204(b)(2).

products for which the domestic industry is seeking relief.⁷ On May 2 and 8, 2024, the petitioner provided clarifications and/or revised the scope language.⁸ The description of merchandise covered by this investigation, as described in the appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for parties to raise issues regarding product coverage (*i.e.*, scope).⁹ Commerce will consider all scope comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information, all such factual information should be limited to public information.¹⁰ To facilitate preparation of its questionnaires, Commerce requests that scope comments be submitted by 5:00 p.m. Eastern Time (ET) on June 5, 2024, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on June 17, 2024,¹¹ which is the next business day after 10 calendar days from the initial comment deadline.

Commerce requests that any factual information that the parties consider relevant to the scope of the investigation be submitted during that time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request permission to submit the additional information. All scope comments must also be filed on the record of the concurrent AD investigation.

⁷ See General Issues Questionnaire.

⁸ See General Issues Supplement at 1-2; see also Scope Amendment.

⁹ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*); see also 19 CFR 351.312.

¹⁰ See 19 CFR 351.102(b)(21) (defining "factual information").

¹¹ The deadline for rebuttal comments falls on June 15, 2024, which is a Saturday. In accordance with 19 CFR 351.303(b)(1), Commerce will accept rebuttal comments filed by 5:00 p.m. ET on June 17, 2024. *Id.* ("For both electronically filed and manually filed documents, if the applicable due date falls on a non-business day, the Secretary will accept documents that are filed on the next business day.").

Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.¹² An electronically filed document must be received successfully in its entirety by the time and date it is due.

Consultations

Pursuant to sections 702(b)(4)(A)(i) and (ii) of the Act, Commerce notified the GOI of the receipt of the Petition and provided an opportunity for consultations with respect to the Petition.¹³ The GOI did not request consultations.

Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the "industry."

¹² See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014), for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on using ACCESS can be found at: <https://access.trade.gov/help.aspx> and a handbook can be found at: https://access.trade.gov/help/Handbook_on_Electronic_Filing_Procedures.pdf.

¹³ See Commerce's Letter, "Countervailing Duty Petition on High Chrome Cast Iron Grinding Media from India: Invitation for Consultation," dated April 30, 2024.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC apply the same statutory definition regarding the domestic like product,¹⁴ they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁵

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigation.¹⁶ Based on our analysis of the information submitted on the record, we have determined that grinding media, as described in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁷

¹⁴ See section 771(10) of the Act.

¹⁵ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d Algoma Steel Corp., Ltd. v. United States*, 865 F.2d 240 (Fed. Cir. 1989)).

¹⁶ See Petition at Volume I (pages 15-17 and Exhibits I-2, and I-4); see also General Issues Supplement at 2-6.

¹⁷ For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, see Checklist, “Certain High Chrome Cast Iron Grinding media from India,” dated concurrently with, and hereby adopted by, this notice (CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petition Covering High Chrome Cast Iron Grinding Media from India (Attachment II). This checklist is on file electronically via ACCESS.

In determining whether the petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition, and supplements thereto, with reference to the domestic like product as defined in the “Scope of the Investigation,” in the appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2023.¹⁸ The petitioner stated that there are no other known producers of grinding media in the United States; therefore, the Petition is supported by 100 percent of the U.S. industry.¹⁹ We relied on data provided by the petitioner for purposes of measuring industry support.²⁰

Our review of the data provided in the Petition, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petition.²¹ First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).²² Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product.²³ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing

¹⁸ See Petition at Volume I (page 25 and Exhibit I-12).

¹⁹ *Id.* at 3 and Exhibit I-2; see also General Issues Supplement at 2 and Exhibit I-1.

²⁰ See Petition at Volume I (pages 3 and 25 and Exhibits I-2 and I-12); see also General Issues Supplement (page 2 and Exhibit 1). For further discussion, see Attachment II of the CVD Initiation Checklist.

²¹ See Attachment II of the CVD Initiation Checklist.

²² *Id.*; see also section 702(c)(4)(D) of the Act.

²³ See Attachment II of the CVD Initiation Checklist.

support for, or opposition to, the Petition.²⁴ Accordingly, Commerce determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act.²⁵

Injury Test

Because India is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from India materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that imports of the subject merchandise are benefiting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the U.S. industry producing the domestic like product. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁶

The petitioner contends that the industry’s injured condition is illustrated by a significant volume of subject imports; reduced market share; underselling and price depression and/or suppression; lost sales and revenues; declines in production, shipments, capacity utilization; and decline in financial indicators and employment variables.²⁷ We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.²⁸

²⁴ *Id.*

²⁵ *Id.*

²⁶ See Petition at Volume I (page 21 and Exhibit I-9).

²⁷ *Id.* at 21-30 and Exhibits I-9 and I-11 through I-15; see also General Issues Supplement at 6 and Exhibit 2.

²⁸ See CVD Initiation Checklists at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petition Covering High Chrome Cast Iron Grinding Media from India.

Initiation of CVD Investigation

Based upon the examination of the Petition and supplemental responses, we find that they meet the requirements of section 702 of the Act. Therefore, we are initiating a CVD investigation to determine whether imports of grinding media from India benefit from countervailable subsidies conferred by the GOI. In accordance with section 703(b)(1) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 65 days after the date of this initiation.

Based on our review of the Petition, we find that there is sufficient information to initiate a CVD investigation on all 28 programs alleged by the petitioner. For a full discussion of the basis for our decision to initiate an investigation of each program, *see* the CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available in ACCESS.

Respondent Selection

The petitioner identified 11 companies in India as producers and/or exporters of grinding media.²⁹ Commerce intends to follow its standard practice in CVD investigations and calculate company-specific subsidy rates in this investigation. In the event that Commerce determines that the number of companies is large, and it cannot individually examine each company based upon Commerce's resources, Commerce intends to select mandatory respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports of grinding media from India during the POI under the appropriate Harmonized Tariff Schedule of the United States subheading listed in the "Scope of the Investigation" in the appendix.

On May 8, 2024, Commerce released CBP data on imports of grinding media from India under administrative protective order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on CBP data and/or respondent selection must do so within three business days of the publication date of the notice of initiation

²⁹ *See* Petition at Volume I (page 18 and Exhibit I-7).

of this investigation.³⁰ Comments must be filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety via ACCESS by 5:00 p.m. ET on the specified deadline. Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce's website at <https://www.trade.gov/administrative-protective-orders>.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the GOI via ACCESS. Furthermore, to the extent practicable, Commerce will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

ITC Notification

Commerce will notify the ITC of its initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

Typically, the ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that subject imports are materially injuring, or threatening material injury to, a U.S. industry.³¹ A negative ITC determination will result in the investigation being terminated.³² Otherwise, this CVD investigation will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of

³⁰ See Memorandum, "Release of Data from U.S. Customs and Border Protection," dated May 8, 2024.

³¹ See section 703(a)(1) of the Act.

³² *Id.*

remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)-(iv). Section 351.301(b) of Commerce's regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted³³ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.³⁴ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in this investigation.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301.³⁵ For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, Commerce may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, Commerce will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone submission; Commerce will grant untimely filed requests for the extension of time limits only in limited cases where we determine, based on 19 CFR 351.302, that extraordinary circumstances

³³ See 19 CFR 351.301(b).

³⁴ See 19 CFR 351.301(b)(2).

³⁵ See 19 CFR 351.302.

exist. Parties should review Commerce's regulations concerning time limits for submission of factual information prior to submitting factual information in this investigation.³⁶

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.³⁷ Parties must use the certification formats provided in 19 CFR 351.303(g).³⁸ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305. Parties wishing to participate in this investigation should ensure that they meet the requirements of 19 CFR 351.103(d), *e.g.*, by filing the required letters of appearance. Note that Commerce has amended certain of its requirements pertaining to the service of documents in 19 CFR 351.303(f).³⁹

This notice is issued and published pursuant to sections 702 and 777(i) of the Act and 19 CFR 351.203(c).

Dated: May 16, 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.

³⁶ See 19 CFR 351.301; *see also* *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), and *Regulations Improving and Strengthening the Enforcement of Trade Remedies Through the Administration of the Antidumping and Countervailing Duty Laws*, 89 FR 20766 (March 25, 2024).

³⁷ See section 782(b) of the Act.

³⁸ See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); *see also* frequently asked questions regarding the *Final Rule*, available at: https://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

³⁹ See *Administrative Protective Order, Service, and Other Procedures in Antidumping and Countervailing Duty Proceedings*, 88 FR 67069 (September 29, 2023).

Appendix

Scope of the Investigation

The scope of this investigation covers chrome cast iron grinding media in spherical (ball) or ovoid shape, with an alloy composition of seven percent or more (≥ 7 percent of total mass) chromium (Cr) content and produced through the casting method, with a nominal diameter of up to 127 millimeters (mm) and tolerance of plus or minus 10 mm. The products covered by the scope are currently classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 7325.91.0000. This HTSUS subheading is provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.
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