



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-197]

Slag Pots from the People's Republic of China: Initiation of Countervailing Duty

Investigation

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

DATES: Applicable January 21, 2025.

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SUPPLEMENTARY INFORMATION:

The Petition

On December 31, 2024, the U.S. Department of Commerce (Commerce) received a
countervailing duty (CVD) petition concerning imports of slag pots from the People's Republic
of China (China) filed in proper form on behalf of WHEMCO-Steel Castings, Inc. (the
petitioner), a U.S. producer of slag pots.¹ The CVD Petition was accompanied by an
antidumping duty (AD) petition concerning imports of slag pots from China.²

¹ See Petitioner's Letter, "Petition for the Imposition of Antidumping and Countervailing Duties," dated December
31, 2024 (Petition).

² *Id.*

Between January 6 and 14, 2025, Commerce requested supplemental information pertaining to certain aspects of the Petition in supplemental questionnaires.³ On January 13 and 16, 2025, the petitioner filed timely responses to these requests for additional information.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 China (GOC) is providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to producers of slag pots in China, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing slag pots 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 was accompanied 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 December 31, 2024, the period of investigation for the CVD investigation is January 1, 2023, through December 31, 2023.⁶

Scope of the Investigation

The product covered by this investigation is slag pots from China. For a full description of the scope of this investigation, *see* the appendix to this notice.

³ *See* Commerce’s Letters, “Supplemental Questions,” dated January 6, 2025; and “Supplemental Questions,” dated January 7, 2025 (General Issues Questionnaire); *see also* Memorandum “Phone Call with Counsel to the Petitioner, dated January 14, 2024 (January 14, 2025 Memorandum).

⁴ *See* Petitioner’s Letters, “Response to Supplemental Questions Regarding Countervailing Duty Petition,” dated January 13, 2025; “Response to Supplemental Questions Regarding Antidumping Volume I of the Petitions,” dated January 13, 2025 (First General Issues Supplement); and “Response to Second Supplemental Questions Regarding Volume I of Petitions,” dated January 16, 2025 (Second General Issues Supplement).

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

⁶ *See* 19 CFR 351.204(b)(2).

Comments on the Scope of the Investigation

On January 7 and 14, 2025, Commerce requested information and clarification from the petitioner regarding the proposed scope to ensure that the scope language in the Petition is an accurate reflection of the products for which the domestic industry is seeking relief.⁷ On January 13 and 16, 2025, the petitioner provided clarifications and revised the scope.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 interested parties to raise issues regarding product coverage (*i.e.*, scope).⁹ Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determination. 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 February 10, 2025, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, and should also be limited to public information, must be filed by 5:00 p.m. ET on February 20, 2025, which is 10 calendar days from the initial comment deadline.

Commerce requests that any factual information that 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 must contact Commerce and request permission to submit the additional information. All scope comments must be filed simultaneously on the records of the concurrent AD and CVD investigations.

⁷ See General Issues Questionnaire; see also January 14, 2025, Memorandum.

⁸ See First General Issues Supplement at 1-3 and Exhibit I-SUPP-2; see also Second General Issues Supplement at 1 and Exhibit I-2Supp-1.

⁹ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

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

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.¹¹ 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 GOC of the receipt of the Petition and provided an opportunity for consultations with respect to the Petition.¹² The GOC did not request consultations.¹³

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."

¹¹ 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.

¹² See Commerce's Letter, "Invitation for Consultation to Discuss the Countervailing Duty Petition," dated December 16, 2024.

¹³ The GOC submitted comments on the CVD petition. See GOC's Letter, "Comments on Countervailing Duty Petition," dated January 14, 2025.

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 slag pots, as defined 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 For a discussion of the domestic like product analysis as applied to this case and information regarding industry support, see Checklist, “Countervailing Duty Investigation Initiation Checklist: Slag Pots from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (China CVD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Slag Pots from the People’s Republic of China (Attachment II). This checklist is on file electronically via ACCESS.

¹⁷ See Attachment II of the China CVD Initiation Checklist.

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 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 and compared this to the estimated total production of the domestic like product in 2023 by the U.S. slag pots industry.¹⁸ We relied on data provided by the petitioner for purposes of measuring industry support.¹⁹

Our review of the data provided in the Petition, the First General Issues Supplement, the Second General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petition.²⁰ 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).²¹ 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.²² 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 support for, or opposition to, the Petition.²³ 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.²⁴

¹⁸ *Id.*

¹⁹ For further discussion, *see* Attachment II of the China CVD Initiation Checklist.

²⁰ *Id.*

²¹ *Id.*; *see also* section 702(c)(4)(D) of the Act.

²² *See* Attachment II of the China CVD Initiation Checklist.

²³ *Id.*

²⁴ *Id.*

Injury Test

Because China 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 China 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 from China exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁵

The petitioner contends that the industry’s injured condition is illustrated by the significant volume and market share of subject imports; underselling and price suppression; lost sales and revenues; and declines in the domestic industry’s net sales quantities, employment variables, and financial performance.²⁶ We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, cumulation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.²⁷

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 slag pots from China benefit from countervailable subsidies conferred by the GOC. In accordance with section 703(b)(1) of the Act and 19 CFR

²⁵ For further information regarding negligibility and the injury allegation, *see* China CVD Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Slag Pots from the People’s Republic of China (Attachment III).

²⁶ *Id.*

²⁷ *Id.*

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 29 of the 32 programs alleged by the petitioner. For a full discussion of the basis for our decision to initiate on each program, *see* the China CVD Initiation Checklist. A public version of the initiation checklist for this investigation is available on ACCESS.

Respondent Selection

In the Petition, the petitioner identified 11 companies in China as producers and/or exporters of slag pots.²⁸ 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 on Commerce's resources, Commerce normally selects mandatory respondents in CVD investigations using U.S. Customs and Border Protection (CBP) entry data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States (HTSUS) subheading(s) listed in the "Scope of the Investigation" in the appendix.

On January 16, 2025, Commerce released CBP data on imports of slag pots from China 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 of this investigation.²⁹ 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.

²⁸ *See* Petition at Volume I (page 6 and Exhibit I-4); *see also* First General Issues Supplement at 1.

²⁹ *See* Memorandum, "Release of U.S. Customs and Border Protection Entry Data," dated January 16, 2025.

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 GOC via ACCESS. To the extent practicable, we 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

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of slag pots from China are materially injuring, or threatening material injury to, a U.S. industry.³⁰ A negative ITC determination will result in the investigation being terminated.³¹ 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 of production under 19 CFR 351.408(c) or to measure the adequacy of 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

³⁰ See section 703(a)(1) of the Act.

³¹ *Id.*

submitted³² 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.³³ 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, or as otherwise specified by Commerce.³⁴ 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, we 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; under limited circumstances we will grant untimely filed requests for the extension of time limits, where we determine, based on 19 CFR 351.302, that extraordinary circumstances exist. Parties should review Commerce's regulations concerning the extension of time limits and the *Time Limits Final Rule* prior to submitting factual information in this investigation.³⁵

Certification Requirements

³² See 19 CFR 351.301(b).

³³ See 19 CFR 351.301(b)(2).

³⁴ See 19 CFR 351.302.

³⁵ See 19 CFR 351.301; see also *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013) (*Time Limits Final Rule*), available at <https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>.

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.³⁶ Parties must use the certification formats provided in 19 CFR 351.303(g).³⁷ 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 APO 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).³⁸

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

Dated: January 21, 2025.

Abdelali Elouaradia,
*Deputy Assistant Secretary
for Enforcement and Compliance.*

³⁶ See section 782(b) of the Act.

³⁷ 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.

³⁸ 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 merchandise covered by the investigation is slag pots with a nominal capacity of 65 cubic feet to 1200 cubic feet regardless of shape, form, or finish.

Slag pots are load bearing devices typically formed as a curved shell or bowl-shaped container. Slag pots are metallurgical goods typically produced either using a casting process or a fabrication process (*e.g.*, welding) and may include a ceramic refractory coating, heat treatment or various finishes in order to handle high temperature slag. Slag pots may contain integral features or attachments including (1) legs (or a stand) and (2) pivotal mounting hooks or brackets. Legs (or a stand) are a fixed or detachable support structure which allows the slag pot to be securely positioned upright on a surface when not being lifted or transported and may also keep the slag pot off the ground and allow for air cooling. The pivotal mounting hooks and brackets are specialized attachment points (such as lifting lugs or trunnions) that allow the slag pot to be securely lifted and transported by a crane or lifting device, or that enable the slag pot to swing or rotate while remaining attached to the lifting mechanism. The merchandise covered by this investigation includes all aforementioned attachments of a fully assembled slag pot, regardless of whether shipped assembled or unassembled.

Slag pots are included within the scope whether finished or unfinished, whether imported individually or with other subject or non-subject merchandise, or whether assembled with attachments or unassembled. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various parts.

The country of origin for slag pots whether fully assembled, unfinished or finished, is the country where the slag pot was cast or forged. Subject merchandise includes slag pots that have been further processed or further assembled in a third country. Further processing and further assembly include, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, painting, coating, priming, machining, and assembly of attachments.

Slag pots subject to the investigation are specified within the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7309.00.0090. The slag pot attachments covered by the scope of this investigation may enter under HTSUS subheadings 7316.00.0000, 7325.10.0080, 7325.99.1000, 7325.99.5000, and 7326.19.0080. The HTSUS subheading is provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

[FR Doc. 2025-01794 Filed: 1/27/2025 8:45 am; Publication Date: 1/28/2025]