



DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-026, C-570-027]

Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping and Countervailing Duty Orders

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

SUMMARY: In response to a request from Steel Dynamics Inc. and Nucor Corporation (collectively, the requesters), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether imports of certain corrosion-resistant steel products (CORE) completed in Indonesia using hot-rolled steel (HRS) and cold-rolled steel (CRS) manufactured in the People's Republic of China (China), are circumventing the antidumping duty (AD) and countervailing duty (CVD) orders on CORE from China.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Justin Enck at (202) 482-1614 or Shawn Gregor at (202) 482-3226, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On February 2, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(i), the requesters filed a circumvention inquiry request alleging that CORE completed in Indonesia using HRS and CRS manufactured in China are

circumventing the AD and CVD orders on CORE from China,¹ and, accordingly, should be included within the scope of the *Orders*.²

On February 13 and 25, 2026, we issued supplemental questionnaires to the requesters.³ On February 19 and 27, 2026, the requesters filed their responses to our requests for additional information.⁴

Scope of the *Orders*

The products covered by these *Orders* are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. For a full description of the scope of the *Orders*, see the Circumvention Initiation Checklist.⁵

Merchandise Subject to the Circumvention Inquiry

The circumvention inquiry covers CORE completed in Indonesia using Chinese-origin HRS or CRS that is subsequently exported from Indonesia and imported into the United States.

Initiation of Circumvention Inquiry

¹ See *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016); see also *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016) (collectively, *Orders*).

² See Requesters' Letter, "Request for Circumvention Inquiry (Indonesia)," dated January 30, 2026 (Circumvention Request). The request was filed after 5:00 pm EST on Friday, January 30, 2026, and therefore, is considered to be filed on the next business day, Monday, February 2, 2026.

³ See Commerce's Letters, "Indonesia Circumvention Inquiry Request Supplemental Questionnaire," dated February 13, 2026, and "Indonesia Circumvention Inquiry Request Second Supplemental Questionnaire," dated February 25, 2026.

⁴ See Requesters' Letters, "Response to Indonesia Circumvention Inquiry Request Supplemental Questionnaire," dated February 19, 2026, and "Response to Indonesia Circumvention Inquiry Request Second Supplemental Questionnaire," dated February 27, 2026.

⁵ See Checklist, "Certain Corrosion-Resistant Steel Products from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Circumvention Initiation Checklist), at Attachment I.

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each circumvention inquiry request allege "that the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these allegations." The requesters alleged circumvention pursuant to section 781(b) of the Act (merchandise completed or assembled in other foreign countries).

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD or CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order.

In determining whether the process of assembly or completion in a foreign country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or

not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a foreign country is minor or insignificant.⁶ Accordingly, Commerce will evaluate each of these five factors as they exist in the foreign country, depending on the particular circumvention scenario.

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether it is appropriate under section 781(b)(1) of the Act to include merchandise assembled or completed in a foreign country within the scope of an AD or CVD order.

Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise that was shipped to the foreign country is affiliated with the person who, in the foreign country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the foreign country have increased after the initiation of the investigation that resulted in the issuance of such order.

Analysis

Based on our analysis of the requesters' circumvention inquiry request, we determine that they have satisfied the criteria under 19 CFR 351.226(c), and thus, pursuant to 19 CFR 351.226(d)(1)(iii), we are initiating the requested circumvention inquiry. For a full discussion of the basis for our decision to initiate the circumvention inquiry, *see* the Circumvention Initiation Checklist. As explained in the Circumvention Initiation Checklist, the information provided by the requesters warrants initiating the circumvention inquiry on a country-wide basis. Commerce

⁶ *See* Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994), at 893.

has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.⁷

Consistent with the approach in the prior circumvention inquiries that were initiated on a country-wide basis, Commerce intends to solicit information from certain companies in Indonesia concerning their production of CORE and their shipments thereof to the United States.

Respondent Selection

Commerce intends to base respondent selection on U.S. Customs and Border Protection (CBP) data. Commerce intends to place the CBP data on each record within five days of the publication of this initiation notice, which will be available on Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. Comments regarding the CBP data and respondent selection should be submitted within seven days after placement of the CBP data on the record of the relevant inquiry.

Commerce intends to establish a schedule for questionnaire responses after respondent selection. A company's failure to completely respond to Commerce's requests for information may result in the application of facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify CBP of this initiation and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiry that were already subject to the suspension of liquidation under the *Orders* and to apply the cash deposit rates that would be applicable if the products were determined to be covered by the scope of the *Orders*.

⁷ See, e.g., *Hydrofluorocarbon Blends from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty Order*, 88 FR 74150 (October 30, 2023).

Should Commerce issue affirmative preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4). In the event that Commerce issues affirmative preliminary or final circumvention determinations that the products are circumventing the *Orders*, Commerce will instruct CBP to continue the suspension of liquidation of previously suspended entries and to apply the applicable cash deposit rate. Commerce will also instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, on or after the date of publication of the notice of initiation of the circumvention inquiry pursuant to paragraphs (l)(2)(ii) and (l)(3)(ii). In addition, pursuant to paragraphs (l)(2)(iii)(A) and (l)(3)(iii)(A), Commerce may instruct CBP to begin the suspension of liquidation and application of cash deposits for any unliquidated entries not yet suspended, entered, or withdrawn from warehouse, for consumption, prior to the date of initiation of the circumvention inquiry, but not for such entries prior to November 4, 2021, the effective date of these provisions in the *Final Rule*.⁸ These rules will not affect CBP's authority to take any additional action with respect to the suspension of liquidation or related measures for these entries, as stated in 19 CFR 351.226(l)(5).

Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the requesters' request for this circumvention inquiry satisfies the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of this circumvention inquiry to determine whether imports of CORE completed in Indonesia using HRS or CRS manufactured in China, exported from Indonesia and imported into the United States, are circumventing the *Orders*. In addition, we have included a description of

⁸ See *Regulations to Improve Administration and Enforcement of Antidumping and Countervailing Duty Laws*, 86 FR 52300, 52345 (September 20, 2021) (*Final Rule*).

the products that are subject to this inquiry, and an explanation of Commerce's decision to initiate this inquiry as provided in the accompanying Circumvention Initiation Checklist.⁹

In accordance with 19 CFR 351.226(e)(1), unless this circumvention inquiry is rescinded, in whole or in part, or extended, Commerce intends to issue its preliminary circumvention determination no later than 150 days from the date of publication of this notice of initiation of this circumvention inquiry in the *Federal Register*. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless this circumvention inquiry is rescinded, in whole or in part, or extended, Commerce intends to issue its final determination within 300 days from the date of publication of this notice of initiation of this circumvention inquiry in the *Federal Register*.

This notice is published in accordance with section 781(b) of the Act, and 19 CFR 351.226(d)(1)(iii).

Dated: March 19, 2026.

Christopher Abbott,
Deputy Assistant Secretary
for Policy and Negotiations,
performing the non-exclusive functions and duties
of the Assistant Secretary for Enforcement and Compliance.
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⁹ See Circumvention Initiation Checklist.