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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 requests from Nucor Corporation and Steel Dynamics, Inc. (collectively, the requesters), the U.S. Department of Commerce (Commerce) is initiating a country-wide circumvention inquiry to determine whether certain corrosion-resistant steel products (CORE) from the People's Republic of China (China), completed in Thailand using components produced in 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: Colton Dulin, 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) 482-1222.

SUPPLEMENTARY INFORMATION:

Background

On February 26, 2026, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.226(a) and (c), the requesters filed a circumvention

inquiry request alleging that CORE completed in Thailand using components manufactured in China is circumventing the AD and CVD orders on CORE from China¹ and, accordingly, should be included within the scope of the *Orders*.²

Scope of the *Orders*

The merchandise covered by the scope of the *Orders* is CORE from China. For a complete description of the scope of the *Orders*, see the Circumvention Initiation Checklist.³

Merchandise Subject to the Circumvention Inquiry

This circumvention inquiry covers CORE completed in Thailand using Chinese-origin components that is subsequently exported from Thailand to the United States.

Initiation of Circumvention Inquiry

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

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, the People's Republic of China, the Republic of Korea, and Taiwan: Notice of Correction to the Antidumping Duty Orders*, 81 FR 58475 (August 25, 2016); and *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 Ruling Pursuant to Section 781(b) of the Tariff Act of 1930," dated February 26, 2026.

³ See Checklist, "Certain Corrosion-Resistant Steel Products from the People's Republic of China Order," dated concurrently with, and hereby adopted by, this notice (Circumvention Initiation Checklist), at Attachment 1.

reasonably available to the interested party supporting these allegations.” The deadline to initiate is typically 30 days after receiving the request from the petitioners; however, the initiation date is being made late because the filing was overlooked in Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). However, 19 CFR 351.226(d) does not have language which automatically accepts circumvention inquiries if no response is sent within 30 days, also 19 CFR 351.302(b) states Commerce may extend “any time limit established by this part.”⁴ The requesters allege circumvention exists pursuant to section 781(b) of the Act (*i.e.*, 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 or 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

⁴ See *Goodluck India Limited v. United States*, 670 F. Supp. 3d 1353 (CIT 2023).

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 the 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 the 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 the foreign country is minor or insignificant.⁵ Accordingly, it is Commerce's practice to evaluate each of these five factors as they exist in the foreign country, and to reach an affirmative or negative circumvention determination based on the totality of the circumstances of the particular circumvention inquiry.⁶

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether 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

⁵ See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103316, Vol. 1 (1994) (SAA), at 893.

⁶ See, e.g., *Hydrofluorocarbon Blends from the People's Republic of China: Final Affirmative Determination of Circumvention with Respect to R-410B, R-407G, and a Certain Custom Blend from the People's Republic of China*, 89 FR 56848 (July 11, 2024).

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 which resulted in the issuance of such order.

Analysis

Based on our analysis of the requesters' circumvention request, Commerce determines that the requesters have satisfied the criteria under 19 CFR 351.226(c) to warrant the initiation of a circumvention inquiry of the *Orders*. 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.⁷ As explained in the Circumvention Initiation Checklist, the information provided by the requesters warrants initiating this circumvention inquiry on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.⁸

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

⁷ See Circumvention Initiation Checklist.

⁸ See, e.g., *Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order*, 82 FR 40556, 40560 (August 25, 2017); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 81 FR 79454, 79458 (November 14, 2016).

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 the record of this proceeding within five days of the publication of this initiation notice, which will be available on 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 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 partial or total 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 the initiation of this circumvention inquiry 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 rate that would be applicable if the product was determined to be covered by the scope of the *Orders*. Should Commerce issue preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4).

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 a 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 CORE from Thailand using components manufactured in China is circumventing the *Orders*. In addition, we have included a description of the products that are the subject of this inquiry, and an explanation of the reasons for Commerce's decision to initiate this inquiry as provided above and in the accompanying Circumvention Initiation Checklist.⁹

In accordance with 19 CFR 351.226(e)(1), Commerce intends to issue its preliminary circumvention determination within 150 days from the date of publication of the notice of initiation of a circumvention inquiry in the *Federal Register*. Furthermore, in accordance with section 781(f) of the Act and 19 CFR 351.226(e)(2), unless the 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 the notice of initiation of the 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: June 15, 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.*

⁹ See Circumvention Initiation Checklist.

