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DEPARTMENT OF COMMERCE

International Trade Administration

(A-201-843, A-570-990, A-549-829)

Prestressed Concrete Steel Rail Tie Wire from Mexico, the People's Republic of China, and Thailand: Initiation of Antidumping Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: (Insert date of publication in the Federal Register).

FOR FURTHER INFORMATION CONTACT: Rebecca Trainor (Mexico), Brian Smith (the People's Republic of China (the "PRC")), or Kate Johnson (Thailand) at (202) 482-4007, (202) 482-1766, or (202) 482-4929, respectively, AD/CVD Operations, Office 2, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On April 23, 2013, the Department of Commerce (the "Department") received antidumping duty ("AD") petitions concerning imports of prestressed concrete steel rail tie wire ("PC tie wire") from Mexico, the PRC, and Thailand filed in proper form on behalf of Davis Wire Corporation and Insteel Wire Products Company (collectively, the "petitioners").¹ The petitioners are domestic producers of PC tie wire. On April 26, 2013, the Department requested

¹ See Antidumping Duty Petitions on Prestressed Concrete Steel Rail Tie Wire from the PRC, Mexico, and Thailand, filed on April 23, 2013 (the "petitions").

additional information and clarification of certain areas of the petitions. The petitioners filed responses to these requests on May 1, 2013.²

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the “Act”), the petitioners allege that imports of PC tie wire from Mexico, the PRC, and Thailand are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act, the petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act. The Department also finds that the petitioners have demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting. See the “Determination of Industry Support for the Petitions” section below.

Period of Investigation

Because the petitions were filed on April 23, 2013, the period of investigation (“POI”) for the PRC investigation is October 1, 2012, through March 31, 2013. The POI for the Mexico and Thailand investigations is April 1, 2012, through March 31, 2013.³

Scope of the Investigations

The product covered by these investigations is PC tie wire from Mexico, the PRC, and Thailand. For a full description of the scope of the investigations, see the “Scope of the Investigations,” in Appendix I of this notice.

² See Supplement to the Mexico Petition, dated May 1, 2013 (“Supplement to the Mexico Petition”); Supplement to the PRC Petition, dated May 1, 2013 (“Supplement to the PRC Petition”); and Supplement to the Thailand Petition, dated May 1, 2013 (“Supplement to the Thailand Petition”).

³ See 19 CFR 351.204(b)(1).

Comments on Scope of Investigations

During our review of the petitions, we discussed the scope with the petitioners to ensure that it is an accurate reflection of the product for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (Antidumping Duties; Countervailing Duties; Final Rule, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by June 3, 2013, 5:00 PM Eastern Standard Time, 20 calendar days from the signature date of this notice. All comments must be filed on the records of the Mexico, the PRC, and Thailand AD investigations. All comments and submissions to the Department must be filed electronically using Import Administration's Antidumping Countervailing Duty Centralized Electronic Service System ("IA ACCESS").⁴ An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by the time and date noted above. Documents excepted from the electronic submission requirements must be filed manually (i.e., in paper form) with Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the deadline noted above.

The period of scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

⁴ See Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using IA ACCESS can be found at <https://iaaccess.trade.gov/help.aspx> and a handbook can be found at <https://iaaccess.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

Comments on Product Characteristics for Antidumping Questionnaires

The Department requests comments from interested parties regarding the appropriate physical characteristics of PC tie wire to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors and costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe PC tie wire, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, we must receive comments on product characteristics by June 3, 2013. Rebuttal comments must be received by June 10, 2013. All comments and submissions to the Department must be filed electronically using IA ACCESS, as referenced above.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(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 732(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, the Department 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.”

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 the Department to look to producers and workers who produce the domestic like product. The 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 the Department and the ITC must apply the same statutory definition regarding the domestic like product (see section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’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.⁵

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 petitions).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that PC tie wire constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.⁶

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in Appendix I of this notice. To establish industry support, the petitioners provided their own production of the domestic like product in 2012.⁷ The petitioners state that there are no other known producers of

⁵ 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 865 F.2d 240 (Fed. Cir. 1989)).

⁶ For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: Prestressed Concrete Steel Rail Tie Wire from the People’s Republic of China (“PRC Initiation Checklist”) at Attachment II, Analysis of Industry Support for the Petitions Covering Prestressed Concrete Steel Rail Tie Wire from the People’s Republic of China, Mexico, and Thailand (“Attachment II”); Antidumping Duty Investigation Initiation Checklist: Prestressed Concrete Steel Rail Tie Wire from Mexico (“Mexico Initiation Checklist”) at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Prestressed Concrete Steel Rail Tie Wire from Thailand (“Thailand Initiation Checklist”), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via IA ACCESS. Access to documents filed via IA ACCESS is also available in the Central Records Unit (CRU), Room 7046 of the main Department of Commerce building.

⁷ See the petitions at 2-3 and Exhibit GEN-1.

PC tie wire in the United States; therefore, the petitions are supported by 100 percent of the U.S. industry.⁸

Our review of the data provided in the petitions and other information readily available to the Department indicates that the petitioners have established industry support.⁹ First, the petitions 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, the Department is not required to take further action in order to evaluate industry support (e.g., polling).¹⁰ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the petitions account for at least 25 percent of the total production of the domestic like product.¹¹ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the petitions 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 petitions.¹² Accordingly, the Department determines that the petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioners filed the petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they

⁸ See the petitions at 2-3 and Exhibits GEN-1, GEN-3, GEN-13, and GEN-14.

⁹ See PRC Initiation Checklist at Attachment II, Mexico Initiation Checklist at Attachment II, and Thailand Initiation Checklist at Attachment II.

¹⁰ See section 732(c)(4)(D) of the Act; see also PRC Initiation Checklist at Attachment II, Mexico Initiation Checklist at Attachment II, and Thailand Initiation Checklist at Attachment II.

¹¹ See PRC Initiation Checklist at Attachment II, Mexico Initiation Checklist at Attachment II, and Thailand Initiation Checklist at Attachment II.

¹² See id.

have demonstrated sufficient industry support with respect to the AD investigations that they are requesting the Department initiate.¹³

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (“NV”). In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

The petitioners contend that the industry’s injured condition is illustrated by reduced market share; increased market penetration; underselling and price depression or suppression; lost sales and revenues; reduced production, shipments, and capacity utilization; reduced employment and production-related workers; and decline in financial performance.¹⁴ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.¹⁵

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less-than-fair-value upon which the Department based its decision to initiate investigations of imports of PC tie wire from Mexico, the PRC, and Thailand. The sources of data for the deductions and adjustments relating

¹³ See id.

¹⁴ See the petitions at 45-50 and Exhibits GEN-3 and GEN-7 through GEN-13.

¹⁵ See PRC Initiation Checklist at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Petitions Covering Prestressed Concrete Steel Rail Tie Wire from the People’s Republic of China, Mexico, and Thailand (“Attachment III”); Mexico Initiation Checklist at Attachment III; and Thailand Initiation Checklist at Attachment III.

to U.S. price and NV are discussed in greater detail in the Mexico Initiation Checklist, PRC Initiation Checklist, and Thailand Initiation Checklist.

Export Price

Mexico

The petitioners calculated an export price (“EP”) based on a price for PC tie wire from Mexico produced by Aceros Camesa S.A. de C.V. (“Camesa”), and sold or offered for sale to a U.S. customer during the POI. To derive the ex-factory price, the petitioners made deductions to U.S. price for U.S. inland freight, inland insurance, U.S. customs fees, foreign inland freight, and foreign brokerage and handling.¹⁶

Specifically, the petitioners calculated U.S. inland freight based on actual freight rates in Mexico for shipping PC tie wire from the U.S. border to one of Camesa’s U.S. customers. The petitioners calculated inland insurance using a publicly-quoted premium for insurance coverage from P.A.F. Cargo Insurance for shipments of steel in sheets, coils, and bars from Mexico to the United States. Although the petitioners initially calculated U.S. customs fees by applying the customs fee percentage to the U.S. price (net of all freight and insurance charges), we disallowed these fees as a deduction to U.S. price because customs duties (specifically, merchandise processing fees) do not apply to the subject merchandise, pursuant to Title II of the North American Free Trade Agreement. The petitioners calculated foreign inland freight based on actual freight rates in Mexico for shipping PC tie wire from Camesa’s mill in Mexico to the U.S. border. Finally, the petitioners calculated foreign brokerage and handling expenses using the average brokerage and handling charges for exporting merchandise from Mexico as reported in Doing Business 2013: Mexico by the World Bank.

¹⁶ See Mexico Initiation Checklist.

PRC

The petitioners calculated a constructed export price (“CEP”) based on a price for PC tie wire from the PRC produced by Wuxi Jinyang Metal Products Co., Ltd. (“Wuxi Jinyang”), and sold or offered for sale to a U.S. customer during the POI. The petitioners used CEP methodology because the sale or offer for sale was made by Wuxi Jinyang through its affiliated U.S. sales agent, Tata Steel International (America) Inc. To derive the ex-factory price, the petitioners made deductions to U.S. price for U.S. inland freight, U.S. customs fees, ocean freight, marine insurance, foreign brokerage and handling, foreign inland freight, and U.S. indirect selling expenses.¹⁷

The petitioners calculated U.S. inland freight based on a U.S. freight rate per mile per pound of product shipped using a public source. The petitioners calculated U.S. customs fees (inclusive of harbor maintenance and merchandise processing fees) by applying the customs fee percentage to the U.S. price (net of all freight and insurance charges). The petitioners calculated ocean freight using the average of the freight charges (inclusive of terminal handling charges and bunker charges) obtained from Maersk Line, a major ocean freight carrier, for the first quarter of 2013 for the Shanghai-to-Tacoma, WA ocean route. To be conservative, the petitioners used the maximum capacity usage of the 40-foot container. The petitioners calculated marine insurance charges using a publicly-quoted premium for insurance coverage published by P.A.F. Cargo Insurance for shipments of steel sheets, coils and bars from Asia to the United States. The petitioners calculated foreign brokerage and handling and foreign inland freight using average charges (inclusive of document fees, terminal handling and port charges, and customs clearance

¹⁷ See PRC Initiation Checklist.

charges) for exports from the surrogate country Thailand,¹⁸ as published in Doing Business 2013: Thailand by the World Bank.

The petitioners deducted a markup for the U.S. indirect selling expenses of Wuxi Jinyang's affiliate. To calculate the U.S. indirect selling expenses, the petitioners relied on the expenses reported in the 2011 Annual Report of STEMCOR, a steel trading company like Wuxi Jinyang's U.S. affiliate, as the financial statements of Wuxi Jinyang's affiliate are not publicly available. To be conservative, the petitioners made no adjustment for U.S. inventory carrying costs.

Thailand

The petitioners calculated CEP based on a price for PC tie wire from Thailand produced by The Siam Industrial Wire Company Ltd. ("SIW"), and sold or offered for sale to a U.S. customer during the POI. The petitioners used CEP methodology because the sale or offer for sale was made by SIW through its affiliated U.S. sales agent, Tata Steel International (America) Inc. To derive the ex-factory price, the petitioners made deductions to U.S. price for foreign inland freight, ocean freight, marine insurance, U.S. customs fees, U.S. inland freight, foreign brokerage and handling charges, and U.S. indirect selling expenses.¹⁹

The petitioners calculated U.S. inland freight based on a U.S. freight rate per mile per pound of product shipped using a public source. The petitioners calculated ocean freight using the average of the freight charges (inclusive of terminal handling charges and bunker charges) obtained from Maersk Line for the second quarter of 2012 for the ocean route from Thailand to Long Beach/Los Angeles, CA. To be conservative, the petitioners used the maximum capacity usage of the 40-foot container. The petitioners calculated marine insurance using a publicly-

¹⁸ See "Normal Value" section below for further discussion of the selection of the surrogate country.

¹⁹ See Thailand Initiation Checklist.

quoted premium for insurance coverage published by P.A.F. Cargo Insurance for shipments of steel sheets, coils and bars from Asia to the United States. The petitioners calculated U.S. customs fees (inclusive of harbor maintenance and merchandise processing fees) by applying the customs fee percentage to the U.S. price (net of all freight and insurance charges). The petitioners calculated foreign brokerage and handling and foreign inland freight using average charges (inclusive of document fees, terminal handling and port charges, and customs clearance charges) for exports from Thailand, as published in Doing Business 2013: Thailand by the World Bank.

The petitioners deducted a markup for the U.S. indirect selling expenses of SIW's affiliate. To calculate the U.S. indirect selling expenses, the petitioners relied on the expenses reported in the 2011 Annual Report of STEMCOR, a steel trading company like SIW's U.S. affiliate, as the financial statements of SIW's affiliate are not publicly available. To be conservative, the petitioners made no adjustment for U.S. inventory carrying costs.

Normal Value

Mexico

The petitioners based NV on constructed value ("CV"), as neither a home market nor third country price was reasonably available. The petitioners relied on their own 2012 production costs for PC tie wire, adjusting for known differences between the Mexican and U.S. industries.²⁰

The petitioners calculated cost of manufacturing ("COM") based on their consumption of raw material inputs, labor and energy, valued at the input cost in the Mexican market. Where it was necessary to rely on data from a period preceding the POI, in accordance with Department

²⁰ See Mexico Initiation Checklist.

practice, the petitioners inflated such values to reflect current prices using the consumer price inflation index (“CPI”) data for Mexico published by the International Monetary Fund (“IMF”).

The petitioners based direct material costs on the average Mexican FOB import value of high-carbon wire rod obtained from Global Trade Atlas (“GTA”) for the period February 2012 through January 2013. The petitioners excluded all import values from all countries either previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and/or from countries previously determined by the Department to be non-market economy (“NME”) countries. In addition, in accordance with the Department’s practice, the import statistics average unit value excludes imports that were labeled as originating from an unspecified country. To calculate a delivered price to Camesa’s plant in Mexico, the petitioners added average Mexican brokerage and inland freight charges, as reported in Doing Business 2013: Mexico published by the World Bank.

For the other materials used to produce the subject merchandise (including packing materials), which the petitioners stated are minor, the petitioners used their own costs to value these materials.

To value electricity and gas costs, the petitioners used information on 2011 electricity and gas costs in Mexico published by the International Energy Agency.

The petitioners calculated labor using a 2008 Mexican wage rate from LABORSTA, a labor database compiled by the International Labor Organization (“ILO”), and adjusted this rate for inflation.

The petitioners calculated financial ratios (i.e., manufacturing overhead; selling, general, and administrative (“SG&A”); and profit) using information in the 2011 financial statement of Altos Hornos De Mexico, a Mexican producer of carbon steel flat products, because no financial

statements for a Mexican producer of PC tie wire were publicly available.

PRC

The petitioners state that the Department has long treated the PRC as a NME country and that this designation remains in effect today. In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of this investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

The petitioners contend that Thailand is the appropriate surrogate country for the PRC because: 1) it is at a level of economic development comparable to that of the PRC; 2) it is a significant producer of identical merchandise; and 3) the availability and quality of data are good. Based on the information provided by the petitioners, we believe that it is appropriate to use Thailand as a surrogate country for initiation purposes. After initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 30 days before the scheduled date of the preliminary determination.

The petitioners calculated NV based on their own 2012 consumption rates. The petitioners assert that, to the best of their knowledge, their consumption rates are similar to the

consumption of PRC producers.²¹

The petitioners valued the factors of production for high carbon wire rod (i.e., the main material used to produce PC tie wire) using publicly available Thai import data obtained from the GTA for the period October 2012 through March 2013. The petitioners excluded all import values from all countries either previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and/or from countries previously determined by the Department to be NME countries. In addition, in accordance with the Department's practice, the import statistics average unit value excludes imports that were labeled as originating from an unspecified country. The petitioners added to the Thai import value the average Thai brokerage and inland freight charges reported for importing goods into Thailand, as reported in Doing Business 2013: Thailand published by the World Bank.

For the other materials used to produce the subject merchandise (including packing materials), which the petitioners stated are minor, the petitioners used their own costs to value these materials.

The petitioners calculated labor using a 2005 Thai wage rate from LABORSTA, a labor database compiled by the ILO, and adjusted this rate for inflation using the CPI data for Thailand published by the IMF.

The petitioners valued electricity using a 2011 Thai industry electricity rate reported by the Electricity Generating Authority of Thailand.

The petitioners valued natural gas using publicly available Thai data for imports of liquid natural gas obtained from GTA for the period October 2012 through February 2013, and universal conversion factors published by Chemlink Pty Ltd.

²¹ See PRC Initiation Checklist.

The petitioners calculated financial ratios (i.e., manufacturing overhead, SG&A, and profit) using information in the 2011 and 2012 financial statements of SIW.

Thailand

The petitioners based NV on CV, as neither a home market nor a third country price was reasonably available. The petitioners relied on their own 2012 production costs for PC tie wire, adjusting for known differences between the Thai and U.S. industries.²²

The petitioners calculated COM based on their consumption of raw material inputs, labor and energy, valued at the input cost in the Thai market. Where it was necessary to rely on data from a period preceding the POI, in accordance with Department practice, the petitioners inflated such values to reflect current prices using the CPI data for Thailand published by the IMF.

The petitioners based direct material costs on the average Thai CIF import value of high-carbon wire rod obtained from GTA for the period April 2012 through March 2013. The petitioners excluded all import values from all countries either previously determined by the Department to maintain broadly available, non-industry-specific export subsidies and/or from countries previously determined by the Department to be NME countries. In addition, in accordance with the Department's practice, the import statistics average unit value excludes imports that were labeled as originating from an unspecified country. To calculate a delivered price to SIW's plant in Thailand, the petitioners added average Thai brokerage and inland freight charges, as reported in Doing Business 2013: Thailand published by the World Bank.

For the other materials used to produce the subject merchandise (including packing materials), which the petitioners stated are minor, the petitioners used their own costs to value these materials.

²² See Thailand Initiation Checklist.

The petitioners used public information to value electricity and natural gas costs for a Thai producer. With respect to electricity, the petitioners used a 2011 electricity rate as reported by the Electricity Generating Authority of Thailand. The petitioners calculated natural gas costs using the average unit value of imports of liquid natural gas obtained from GTA for the period April 2012 through March 2013, and universal conversion factors published by Chemlink Pty Ltd.

The petitioners calculated labor using a 2005 Thai wage rate from LABORSTA, a labor database compiled by the ILO, and adjusted this rate for inflation.

The petitioners calculated financial ratios (i.e., manufacturing overhead, SG&A, and profit) using information in the 2011 and 2012 financial statements of SIW.

Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of PC tie wire from Mexico, the PRC, and Thailand are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to CV in accordance with section 773(a)(4) of the Act, the estimated dumping margin for PC tie wire from Mexico, as revised by the Department, is 159.44 percent.²³ Based on comparisons of CEP to NV in accordance with section 773(c) of the Act, the estimated dumping margin for PC tie wire from the PRC is 67.43 percent.²⁴ Based on comparisons of CEP to CV in accordance with section 773(a)(4) of the Act, the estimated dumping margin for PC tie wire from Thailand is 53.72 percent.²⁵

Initiation of Antidumping Investigations

Based upon the examination of the petitions on PC tie wire from Mexico, the PRC, and Thailand, we find that the petitions meet the requirements of section 732 of the Act. Therefore,

²³ See Mexico Initiation Checklist.

²⁴ See PRC Initiation Checklist.

²⁵ See Thailand Initiation Checklist.

we are initiating AD investigations to determine whether imports of PC tie wire from Mexico, the PRC, and Thailand are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Respondent Selection

Although the Department normally relies on import data from U.S. Customs and Border Protection to select a limited number of exporters/producers for individual examination in AD investigations, these petitions name only one company as a producer and/or exporter of PC tie wire in Mexico: Camesa; one company as a producer and/or exporter of PC tie wire in Thailand: SIW; and three companies as producers/exporters of PC tie wire in the PRC: Silvery Dragon Group and Technology (“Silvery Dragon”), Wuxi Jinyang, and Shanxi New-Mile International Trade Co., Ltd. (“Shanxi New-Mile”).²⁶ Furthermore, we currently know of no additional exporters or producers of subject merchandise from these countries. Accordingly, the Department intends to examine all known exporters/producers in these investigations, *i.e.*, Camesa in the Mexico investigation; SIW in the Thai investigation; and Silvery Dragon, Wuxi Jinyang, and Shanxi New-Mile in the PRC investigation.

We will consider comments from interested parties on this issue. Parties wishing to comment must do so within five days of the publication of this notice in the Federal Register.

²⁶ See the petitions at 8- 9.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate status application.²⁷ The specific requirements for submitting the separate-rate application in the PRC investigation are outlined in detail in the application itself, which will be available on the Department's website at <http://trade.gov/ia/ia-highlights-and-news.html> on the date of publication of this initiation notice in the Federal Register. The separate-rate application will be due 60 days after publication of this initiation notice. For exporters and producers who submit a separate-rate status application and have been selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents. The Department requires that the PRC respondents submit a response to the separate-rate application by the deadline in order to receive consideration for separate-rate status.

Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to

²⁷ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005) ("Separate Rates and Combination Rates Bulletin"), available on the Department's website at <http://trade.gov/ia/policy/bull05-1.pdf>.

specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.²⁸

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the petitions have been provided to the Governments of Mexico, the PRC, and Thailand via IA ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the petitions to each exporter named in the petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine no later than June 7, 2013, whether there is a reasonable indication that imports of PC tie wire from Mexico, the PRC, and Thailand are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination for any country will result in the investigation being terminated with respect to that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

On April 10, 2013, the Department published Definition of Factual Information and Time Limits for Submission of Factual Information: Final Rule, 78 FR 21246 (April 10, 2013), which modified two regulations related to AD and countervailing duty (“CVD”) proceedings: the

²⁸ See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

definition of factual information (19 CFR 351.102(b)(21)), and the time limits for the submission of factual information (19 CFR 351.301). The final rule identifies five categories of factual information in 19 CFR 351.102(b)(21), which are summarized as follows: (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 remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The final rule requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted 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. The final rule also modified 19 CFR 351.301 so that, rather than providing general time limits, there are specific time limits based on the type of factual information being submitted. These modifications are effective for all proceeding segments initiated on or after May 10, 2013, and thus are applicable to these investigations. Please review the final rule, available at <http://ia.ita.doc.gov/frn/2013/1304frn/2013-08227.txt>, prior to submitting factual information in these investigations.

Notification to Interested Parties

Interested parties must submit applications for disclosure under administrative protective order in accordance with 19 CFR 351.305. On January 22, 2008, the Department published Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR 3634 (Jan. 22, 2008). Parties wishing to participate in these investigations

should ensure that they meet the requirements of these procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

Any party submitting factual information in an AD/CVD proceeding must certify to the accuracy and completeness of that information.²⁹ Parties are hereby reminded that revised certification requirements are in effect for company/government officials as well as their representatives in all segments of any AD/CVD proceedings initiated on or after March 14, 2011.³⁰ The formats for the revised certifications are provided at the end of the Interim Final Rule. The Department intends to reject factual submissions in any proceeding segments initiated on or after March 14, 2011, if the submitting party does not comply with the revised certification requirements.

This notice is issued and published pursuant to section 777(i) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

May 13, 2013
Date

²⁹ See section 782(b) of the Act.

³⁰ See Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings: Interim Final Rule, 76 FR 7491 (February 10, 2011) (Interim Final Rule) amending 19 CFR 351.303(g)(1) & (2) and supplemented by Certification of Factual Information To Import Administration During Antidumping and Countervailing Duty Proceedings: Supplemental Interim Final Rule, 76 FR 54697 (September 2, 2011).

Appendix I

Scope of the Investigations

The product covered by these investigations is high carbon steel wire; stress relieved or low relaxation; indented or otherwise deformed; meeting at a minimum the American Society for Testing Materials (ASTM) A881/A881M specification; regardless of shape, size, or other alloy element levels; suitable for use as prestressed tendons in concrete railroad ties (“PC tie wire”). High carbon steel is defined as steel that contains 0.6 percent or more of carbon by weight.

PC tie wire is classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheading 7217.10.8045, but may also be classified under subheadings 7217.10.7000, 7217.10.8025, 7217.10.8030, 7217.10.9000, 7229.90.1000, 7229.90.5016, 7229.90.5031, 7229.90.5051, and 7229.90.9000. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

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