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DEPARTMENT OF COMMERCE

International Trade Administration

(C-533-858, C-489-817)

Certain Oil Country Tubular Goods from India and the Republic of Turkey: Countervailing Duty Orders and Amended Affirmative Final Countervailing Duty Determination for India

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

SUMMARY: Based on the amended affirmative final determination with respect to India and the affirmative final determination with respect to the Republic of Turkey (“Turkey”) by the Department of Commerce (the “Department”) and the International Trade Commission (“ITC”), the Department is issuing countervailing duty orders on certain oil country tubular goods (“OCTG”) from India and Turkey. The Department is amending its final determination with respect to India to correct certain ministerial errors as explained below.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Turkey: Shane Subler or Jennifer Meek, AD/CVD Operations, Office I, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0189 and (202) 482-2778, respectively.

India: Myrna Lobo, Elfi Blum or Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482–2371, (202) 482–0197, and (202) 482–2316, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 18, 2014, the Department published its final determinations in the countervailing duty investigations of OCTG from India and Turkey.¹ On September 2, 2014, the ITC notified the Department of its final determination pursuant to section 705(b)(1)(A)(i) of the Tariff Act of 1930, as amended (“the Act”), that an industry in the United States is materially injured by reason of subsidized imports of subject merchandise from India and Turkey.² The ITC also determined that critical circumstances do not exist.³

Scope of the Orders

The merchandise covered by the orders is certain oil country tubular goods (“OCTG”), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the orders also covers OCTG coupling stock.

Excluded from the scope of the orders are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to the orders is currently classified in the Harmonized Tariff

¹ See *Certain Oil Country Tubular Goods From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 FR 41967 (July 18, 2014) (“*India Final Determination*”); see also *Certain Oil Country Tubular Goods From the Republic of Turkey: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 41964 (July 18, 2014) (“*Turkey Final Determination*”).

² See *Certain Oil Country Tubular Goods from India, Korea, Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam, Investigation Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223, USITC Pub. 4489 (Final)* (September 2014).

³ *Id.*

Schedule of the United States (HTSUS) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the orders may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the orders is dispositive.

Amended Affirmative Final Determination

On July 14, 2014, the Department disclosed to interested parties its calculations for the *India Final Determination*. On July 21, 2014, we received ministerial error comments from

United States Steel Corporation (“Petitioner”) and Jindal SAW Limited (“Jindal SAW”). Jindal SAW filed rebuttal comments to Petitioner’s ministerial error allegation on July 26, 2014.

Petitioner filed rebuttal comments to Jindal SAW’s ministerial error comments on July 28, 2014.

Section 705(e) of the Act and 19 CFR 351.224(f) define a “ministerial error” as an error “in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any similar type of unintentional error which the Secretary considers ministerial.” After analyzing the ministerial error comments, we determine, in accordance with section 705(e) of the Act and 19 CFR 351.224(e), that we made the following ministerial error in our calculations for the *India Final Determination*: we inadvertently used Jindal SAW’s sales of subject merchandise to the United States inclusive of freight and other expenses as the denominator for our calculations, when we clearly stated our intent in the *Final Determination* to use free on board (“FOB”) values as the denominator for rate calculations. For a detailed discussion of this ministerial error, as well as the Department’s analysis of another ministerial error allegation (which we determine not to be a ministerial error), *see* the Ministerial Error Memorandum.⁴

In accordance with section 705(e) of the Act and 19 CFR 351.224(e), we are amending the final affirmative countervailing duty determination for Jindal SAW and for “All Others” for OCTG from India.⁵ We determine the revised total estimated net countervailable subsidy rates

⁴ See Memorandum To Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, Through Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, From Edward C. Yang, Director, Office VII, Antidumping and Countervailing Duty Operations: Final Results of Countervailing Duty Investigation of Certain Oil Country Tubular Goods from India: Ministerial Error Allegation, dated August 12, 2014 (“Ministerial Error Memorandum”).

⁵ The total estimated net countervailable subsidy from the *India Final Determination* for GVN Fuels Limited and its cross-owned producers Maharashtra Seamless Limited and Jindal Pipes Limited (“GVN/MSL/JPL”) remains unchanged at 5.67 percent. *See India Final Determination*, 79 FR at 41968.

to be 19.57 percent for Jindal SAW and 12.62 percent for All Others.⁶

Countervailing Duty Orders

In accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified the Department of its final determination that the industry in the United States producing OCTG is materially injured by reason of subsidized imports of OCTG from India and Turkey. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing these countervailing duty orders.

For India, as a result of the ITC's final determination, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection ("CBP") to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of OCTG produced and/or exported by GVN/MSL/JPL and "all other" companies that were entered, or withdrawn from warehouse, for consumption on or after December 23, 2013, the date on which the Department published its affirmative preliminary countervailing duty determination in the *Federal Register*, and before April 22, 2014, the date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with section 703(d) of the Act. Section 703(d) of the Act states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Therefore, entries of OCTG produced and/or exported by GVN/MSL/JPL and "all other" companies made on or after April 22, 2014, and prior to the date of publication of the ITC's final determination in the *Federal Register* are not liable for the assessment of countervailing duties due to the Department's discontinuation, effective April 22, 2014, of the suspension of liquidation. For Jindal SAW,

⁶ Because we calculated a simple average of the two respondents' rates in the *India Final Determination* to derive an "All Others" rate and the rate for one respondent has changed with this amended final determination, we have also revised the "All Others" rate. See *India Final Determination*, 79 FR at 41967-68.

countervailing duties will be assessed, upon further instruction from the Department, on unliquidated entries of OCTG entered, or withdrawn from warehouse, for consumption on or after July 18, 2014, the date on which the Department published its affirmative final determination in the *Federal Register*.

With regard to the ITC's negative critical circumstances determination, the Department will instruct CBP to lift suspension and refund any cash deposit of estimated countervailing duties for entries on or after April 19, 2014 (*i.e.*, the date 90 days prior to the date of publication of the *India Final Determination*), but before July 18, 2014, and produced and/or exported by Jindal SAW. Further, the Department will instruct CBP to lift suspension and refund any cash deposit of estimated countervailing duties for entries on or after September 24, 2013 (*i.e.*, 90 days prior to the date of publication of the *India Preliminary Determination*⁷) but before December 23, 2013, for "All Others."

For Turkey, as a result of the ITC's final determination, in accordance with section 706(a) of the Act, the Department will direct U.S. Customs and Border Protection ("CBP") to assess, upon further instruction by the Department, countervailing duties on unliquidated entries of OCTG entered, or withdrawn from warehouse, for consumption on or after July 18, 2014, the date on which the Department published its affirmative final countervailing duty determination in the *Federal Register*. With regard to the ITC's negative critical circumstances determination, the Department will instruct CBP to lift suspension and refund any cash deposit of estimated countervailing duties for entries on or after April 19, 2014 (*i.e.*, 90 days prior to the date of publication of the *Turkey Final Determination*), but before July 18, 2014.

⁷ See *Certain Oil Country Tubular Goods From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination*, 78 FR 77421 (December 23, 2013) ("*India Preliminary Determination*").

Suspension of Liquidation

For India, in accordance with section 706 of the Act, the Department will direct CBP to reinstitute the suspension of liquidation of OCTG from India, effective the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further advice by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determination in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

| <u>Producer/Exporter</u> | <u>Net Subsidy Rate</u> |
|---|-------------------------|
| GVN Fuels Limited/Maharashtra Seamless Limited/Jindal Pipes Limited | 5.67 percent |
| Jindal SAW Limited | 19.57 percent |
| All Others | 12.62 percent |

For Turkey, in accordance with section 706 of the Act, the Department will direct CBP to continue the suspension of liquidation of OCTG from Turkey, and to assess, upon further advice by the Department pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

| <u>Producer/Exporter</u> | <u>Net Subsidy Rate</u> |
|--------------------------|-------------------------|
|--------------------------|-------------------------|

| | |
|---|---------------|
| Borusan Istikbal Ticaret, Borusan Mannesmann Boru Sanayi, Borusan Mannesmann Boru Yatirim Holding A.S., and Borusan Holding A.S. | 15.89 percent |
| Tosyali Dis Ticaret A.S, Tosçelik Profil ve Sac Endustrisi A.S., Tosyali Elektrik Enerjisi Toptan Satis Ith. Ihr. A.S., Tosyali Demir Celik San. A.S., and Tosyali Holding A.S. | 2.53 percent |
| All Others | 9.21 percent |

This notice constitutes the countervailing duty orders with respect to OCTG from India and Turkey, pursuant to section 706(a) of the Act, and the amended affirmative final countervailing duty determination with respect to OCTG from India. Interested parties may contact the Department's Central Records Unit, Room 7046 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with sections 705(e) and 706(a) of the Act, 19 CFR 351.211(b), and 19 CFR 351.224(e).

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

September 5, 2014
(Date)

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