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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-996, A-428-843, A-588-872, A-580-872, A-401-809, A-583-851]

Non-Oriented Electrical Steel from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders

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

SUMMARY: Based on affirmative final determinations by the Department of Commerce (the Department) and the International Trade Commission (the ITC), the Department is issuing antidumping duty (AD) orders on non-oriented electrical steel (NOES) from the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER).

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SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 735(d) and 777(i)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.210(c), on October 14, 2014, the Department published affirmative

final determinations of sales at less than fair value (LTFV) in the investigations of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan.¹ On November 25, 2014, the ITC notified the Department of its affirmative determinations that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act by reason of LTFV imports of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan.² In addition, the ITC notified the Department of its final determination that critical circumstances do not exist with respect to imports of subject merchandise from the PRC, Germany, Japan, and Sweden that are subject to the Department's final affirmative critical circumstances findings.³

Scope of the Orders

The merchandise subject to these orders consists of non-oriented electrical steel (NOES), which includes cold-rolled, flat-rolled, alloy steel products, whether or not in coils, regardless of width, having an actual thickness of 0.20 mm or more, in which the core loss is substantially equal in any direction of magnetization in the plane of the material. The term "substantially equal" means that the cross grain direction of core loss is no more than 1.5 times the straight grain direction (*i.e.*, the rolling direction) of core loss. NOES has a magnetic permeability that does not exceed 1.65 Tesla when tested at a field of 800 A/m (equivalent to 10 Oersteds) along (*i.e.*, parallel to) the rolling direction of the sheet (*i.e.*, B₈₀₀ value). NOES contains by weight more than 1.00 percent of silicon but less than 3.5 percent of silicon, not more than 0.08 percent

¹ See *Non-Oriented Electrical Steel from Germany, Japan, the People's Republic of China, and Sweden: Final Affirmative Determinations of Sales at Less Than Fair Value and Final Affirmative Determinations of Critical Circumstances, in Part*, 79 FR 61609 (October 14, 2014) (*Germany, Japan, the PRC, and Sweden Final Determinations*); *Non-Oriented Electrical Steel from the Republic of Korea: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances*, 79 FR 61612 (October 14, 2014) (*Korea Final Determination*); and *Non-Oriented Electrical Steel From Taiwan: Final Determination of Sales at Less Than Fair Value*, 79 FR 61614 (October 14, 2014) (*Taiwan Final Determination*), respectively.

² See Letter from the ITC to the Department, dated November 25, 2014; see also *Non-Oriented Electrical Steel from China, Germany, Japan, Korea, Sweden, and Taiwan* (Investigation Nos. 701-TA-506 and 508 and 731-TA-1238-1243 (Final), USITC Publication 4502, November 2014).

³ *Id.*

of carbon, and not more than 1.5 percent of aluminum. NOES has a surface oxide coating, to which an insulation coating may be applied.

NOES is subject to these orders whether it is fully processed (*i.e.*, fully annealed to develop final magnetic properties) or semi-processed (*i.e.*, finished to final thickness and physical form but not fully annealed to develop final magnetic properties). Fully processed NOES is typically made to the requirements of ASTM specification A 677, Japanese Industrial Standards (JIS) specification C 2552, and/or International Electrotechnical Commission (IEC) specification 60404-8-4. Semi-processed NOES is typically made to the requirements of ASTM specification A 683. However, the scope of these orders is not limited to merchandise meeting the ASTM, JIS, and IEC specifications noted immediately above.

NOES is sometimes referred to as cold-rolled non-oriented (CRNO), non-grain oriented (NGO), non-oriented (NO), or cold-rolled non-grain oriented (CRNGO) electrical steel. These terms are interchangeable.

Excluded from the scope of these orders are flat-rolled products not in coils that, prior to importation into the United States, have been cut to a shape and undergone all punching, coating, or other operations necessary for classification in Chapter 85 of the Harmonized Tariff Schedule of the United States (HTSUS) as a part (*i.e.*, lamination) for use in a device such as a motor, generator, or transformer.

The subject merchandise is provided for in subheadings 7225.19.0000, 7226.19.1000, and 7226.19.9000 of the HTSUS. Subject merchandise may also be entered under subheadings 7225.50.8085, 7225.99.0090, 7226.92.5000, 7226.92.7050, 7226.92.8050, 7226.99.0180 of the HTSUS. Although HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope is dispositive.

Antidumping Duty Orders

As stated above, on November 25, 2014, in accordance with section 735(d) of the Act, the ITC notified the Department of its final determinations in its investigations, in which it found that an industry in the United States is materially injured by reason of imports of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan.⁴ Because the ITC determined that imports of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan are materially injuring a U.S. industry, unliquidated entries of such merchandise from the PRC, Germany, Japan, Korea, Sweden, and Taiwan, entered or withdrawn from warehouse, for consumption are subject to the assessment of antidumping duties.

Therefore, in accordance with section 736(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by the Department, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise, for all relevant entries of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan. These antidumping duties will be assessed on unliquidated entries of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan entered, or withdrawn from warehouse, for consumption on or after May 22, 2014, the date of publication of the preliminary determinations,⁵ but will not

⁴ *Id.*

⁵ See *Non-Oriented Electrical Steel From the People's Republic of China: Preliminary Affirmative Determinations of Sales at Less Than Fair Value and Critical Circumstances*, 79 FR 29421 (May 22, 2014); *Non-Oriented Electrical Steel From Germany, Japan, and Sweden: Preliminary Determinations of Sales at Less Than Fair Value, and Preliminary Affirmative Determinations of Critical Circumstances, in Part*, 79 FR 29423 (May 22, 2014); *Non-Oriented Electrical Steel From the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 29426 (May 22, 2014) (Korea Prelim Determination); and *Non-Oriented Electrical Steel From Taiwan: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 29428 (May 22, 2014) (Taiwan Prelim Determination).

include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final injury determination as further described below.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct CBP to continue to suspend liquidation on all entries of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan. These instructions suspending liquidation will remain in effect until further notice.

We will also instruct CBP to require cash deposits at rates equal to the estimated weighted-average dumping margins indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determinations, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit at rates equal to the estimated weighted-average dumping margins listed below.⁶ The relevant all-others rate (for Germany, Japan, Korea, Sweden, and Taiwan) or the rate for the PRC-wide entity (for the PRC), as applicable, apply to all producers or exporters not specifically listed. For the purpose of determining cash deposit rates, the estimated weighted-average dumping margins for imports of subject merchandise from the PRC will be adjusted, as appropriate, for export subsidies found in the final determination of the companion countervailing duty investigation of this merchandise imported from the PRC.⁷

Provisional Measures

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months except where

⁶ See section 736(a)(3) of the Act.

⁷ See *Germany, Japan, the PRC, and Sweden Final Determinations*, 79 FR at 61612. See also *Non-Oriented Electrical Steel From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination*, 79 FR 61607 (October 14, 2014) (*PRC CVD Final Determination*).

exporters representing a significant proportion of exports of the subject merchandise request the Department to extend that four-month period to no more than six months. At the request of exporters that account for a significant proportion of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan, we extended the four-month period to no more than six months in each case.⁸ As stated above, in the investigations covering NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan, the Department published the preliminary determinations on May 22, 2014. Therefore, the six-month period beginning on the date of publication of the preliminary determinations ended on November 18, 2014. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to antidumping duties, unliquidated entries of NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan, entered, or withdrawn from warehouse, for consumption on or after November 18, 2014, the date the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determinations in the Federal Register. Suspension of liquidation resumes on the date of publication of the ITC's final determination in the Federal Register.

⁸ See *Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, and Sweden: Postponement of Final Determinations of Sales at Less Than Fair Value*, 79 FR 37718 (July 2, 2014); *Korea Prelim Determination*, 79 FR at 29428; and *Taiwan Prelim Determination*, 79 FR at 29430.

Estimated Weighted-Average Dumping Margins

The estimated weighted-average dumping margins are as follows:

PRC ⁹	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
PRC-Wide Entity	407.52

Germany	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
CD Walzholz	98.84
Thyssenkrupp Electrical Steel EBG GMBH	98.84
All Others	86.29

Japan	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
JFE Steel Corporation	204.79
Sumitomo Corporation	204.79
All Others	135.59

⁹ As explained in the *Germany, Japan, the PRC, and Sweden Final Determinations*, the estimated weighted-average dumping margin for the PRC-wide entity will be adjusted for export subsidies. *See Germany, Japan, the PRC, and Sweden Final Determinations*, 79 FR at 61612. Accordingly, we offset the estimated weighted-average dumping margin for the PRC-wide entity of 407.52 percent by the countervailing duty rate attributable to export subsidies (*i.e.*, 10.77 percent) to calculate the cash deposit *ad valorem* rate for the PRC-wide entity of 396.75 percent. For information regarding these export subsidies, *see PRC CVD Final Determination* and accompanying Issues and Decision Memorandum at 8 (countervailed export subsidy programs: Preferential Export Financing from the Export-Import Bank of China (1.06 percent) and Tax Refunds for Reinvestment of FIE Profits in Export-Oriented Enterprises (9.71 percent)).

Korea	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
POSCO/Daewoo International Corporation	6.88
All Others	6.88

Sweden	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
Surahammars Bruks AB	126.72
All Others	98.46

Taiwan	
Exporter or Producer	Estimated Weighted-Average Dumping Margin (percent)
China Steel Corporation	27.54
Leicong Industrial Company, Ltd	52.23
All Others	27.54

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of NOES from the PRC, Germany, Japan, and Sweden, we will instruct CBP to lift suspension and to refund any cash deposit made to secure the payment of estimated antidumping duties with respect to entries of the merchandise entered, or withdrawn from warehouse, for consumption on or after February 21, 2014 (*i.e.*, 90 days prior to the date of publication of the preliminary determinations), but before May 22, 2014, the publication date of the preliminary determinations.

Notifications to Interested Parties

This notice constitutes the AD orders with respect to NOES from the PRC, Germany, Japan, Korea, Sweden, and Taiwan pursuant to section 736(a) of the Act. Interested parties can find a list of AD orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

These orders are published in accordance with sections 736(a) of the Act and 19 CFR 351.211.

Dated: November 26, 2014.
Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance.

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