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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-013

Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order

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 (ITC), the Department is issuing a countervailing duty (CVD) order on carbon and certain alloy steel wire rod (steel wire rod) from the People's Republic of China (PRC). Also, as explained in this notice, the Department is amending its final determination to correct an error with respect to the identification of an affiliate of one of the respondents.

DATES: Effective Date: [INSERT DATE OF PUBLICATION IN THE <u>FEDERAL</u> <u>REGISTER</u>.]

FOR FURTHER INFORMATION CONTACT: Rebecca Trainor or Reza Karamloo, Office II, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4007 and (202) 482-4470, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 19, 2014, the Department published its final determination that countervailable subsidies are being provided to producers and exporters of steel wire rod from

the PRC.¹ On January 2, 2015, the ITC notified the Department of its final determination pursuant to sections 705(b)(1)(A)(i) and section 705(d) of the Tariff Act of 1930, as amended (the Act) that an industry in the United States is materially injured by reasons of subsidized imports of subject merchandise from the PRC.² The ITC also determined that critical circumstances do not exist.³

Scope of the Order

The scope of this order covers certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under order are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of

³ <u>Id</u>.

¹ <u>See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, 79 FR 68858 (November 19, 2014) (Final Determination).</u>

² See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China, Investigation Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Publication 4509, December 2014.

the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Correction to the Final Determination

In the <u>Final Determination</u> we inadvertently omitted Benxi Iron & Steel (Group) Co., Ltd. from the list of companies comprising Benxi Beiying Iron & Steel Import & Export Corp./Benxi Beiying Iron & Steel (Group) Co., Ltd.⁴ Benxi Iron & Steel (Group) Co., Ltd. is properly included in the list of affiliates in the "Suspension of Liquidation" section of this notice.

Countervailing Duty Order

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 steel wire rod is materially injured by reason of subsidized imports of steel wire rod from the PRC. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing this CVD order.

Pursuant to 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, CVDs on unliquidated entries of steel wire rod entered, or withdrawn from warehouse, for consumption on or after July 8, 2014, the date on which the Department published its affirmative <u>Preliminary Determination</u>⁵ in the <u>Federal Register</u>, and before November 5, 2014, the date on which the Department instructed CBP to discontinue the suspension of liquidation in accordance with

⁴ <u>See Final Determination</u> at 68859, and the accompanying Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China at 1-2.

⁵ <u>See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination, 79 FR 38490 (July 8, 2014) (Preliminary Determination).</u>

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. Entries of steel wire rod made on or after November 5, 2014, and prior to the date of publication of the ITC's final determination in the <u>Federal Register</u> are not liable for assessment of CVDs, due to the Department's discontinuation, effective November 5, 2014, of the suspension of liquidation.

With regard to the ITC's negative critical circumstances determination, the Department will instruct CBP to lift suspension and refund any cash deposits of estimated CVDs for entries on or after April 9, 2014 (i.e., 90 days prior to the date of the <u>Preliminary Determination</u>), but before July 8, 2014.

Suspension of Liquidation

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute the suspension of liquidation of steel wire rod from the PRC, effective the date of publication of the ITC's notice of final determination in the <u>Federal Register</u>, and to assess, upon further instruction by the Department pursuant to section 706(a)(1) of the Act, CVDs 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 listed below:

Company	Subsidy Rate (percent)
Benxi Steel ⁶	193.31
Hebei Iron & Steel Co Ltd Tangshan Branch	178.46
All Others	185.89

Notification to Interested Parties

This notice constitutes the CVD order with respect to steel wire rod from the PRC pursuant to section 706(a) of the Act. 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 section 706(a) of the Act and 19 CFR 351.211(b).

Dated: January 2, 2015.

Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance.

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⁶ Benxi Steel is comprised of: Benxi Beiying Iron & Steel Group Import & Export Corp.; Benxi Beiying Iron & Steel (Group) Co., Ltd.; Benxi Steel Group Corporation; Beitai Iron & Steel (Group) Co., Ltd.; Benxi Northern Steel Rolling Co., Ltd.; Benxi Beifang Gaosu Steel Wire Rod Co., Ltd.; Benxi Beitai Gaosu Steel Wire Rod Co., Ltd.; Benxi Northern Steel Co., Ltd.; Benxi Beifang Second Rolling Co., Ltd.; Benxi Beitai Ductile Iron Pipes Co., Ltd.; Benxi Iron and Steel (Group) Metallurgy Co., Ltd.; Benxi Iron and Steel (Group) Real Estate Development Co., Ltd.; Benxi Iron & Steel (Group) Co., Ltd.; Bei Tai Iron and Steel Group Imp. and Exp. (Dalian) Co., Ltd.; and Bengang Steel Plate Co., Ltd.