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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-029]

Certain Cold-Rolled Steel Flat Products from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances

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

SUMMARY: The Department of Commerce (the Department) determines that certain cold-rolled steel flat products (cold-rolled steel) from the People's Republic of China (the PRC) are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The period of investigation is January 1, 2015, through June 30, 2015. The estimated weighted-average dumping margin of sales at LTFV is shown in the "Final Determination" section of this notice.

DATES: *Effective Date:* [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.]

FOR FURTHER INFORMATION CONTACT: Scott Hoefke or Robert James, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-4947 or (202) 482-0679, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On March 7, 2016, the Department published its preliminary affirmative determination of sales at LTFV and preliminary affirmative determination of critical circumstance in LTFV investigation of cold-rolled steel from the PRC.<sup>1</sup> We invited interested parties to comment on our preliminary determinations. We only received comments regarding the scope of this investigation. No interested party requested a hearing.

### Scope of the Investigation

The products covered by this investigation are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances from the PRC. For a full description of the scope of this investigation, see the “Scope of the Investigation,” in Appendix I.

Since the *Preliminary Determination*, eight interested parties (*i.e.*, JFE Steel Corporation, Electrolux Home Products, Inc., Electrolux Home Care Products, Inc., ArcelorMittal USA LLC, AK Steel Corporation, Nucor Corporation, Steel Dynamics Inc., and .United States Steel Corporation) commented on the scope of the investigation. The Department reviewed these comments and has made no changes to the scope of the investigation. For further discussion, see the Final Scope Comments Memorandum.<sup>2</sup> The scope in Appendix I reflects the final unmodified scope language as it appeared in the *Preliminary Determination*.

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<sup>1</sup> See Antidumping Duty Investigation of Certain Cold-Rolled Steel Flat Products From the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value, and Preliminary Affirmative Determination of Critical Circumstances, 81 FR 11751 (March 7, 2016) (Preliminary Determination).

<sup>2</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Cold-Rolled Steel Flat Products From Brazil, the People’s Republic of China, India, Japan, the Republic of Korea, the Russian Federation, and the United Kingdom: Final Scope Comments Decision Memorandum,” dated concurrently with this final determination (Final Scope Comments Memorandum).

## Verification

The only respondent in the antidumping investigation of cold-rolled steel from the PRC, the PRC-wide entity, did not provide information requested by the Department. Hence, no verification was conducted.

## Analysis of Comments Received and Changes Since the Preliminary Determination

We made no changes to the *Preliminary Determination* because we received no comments pertaining to the *Preliminary Determination*.

## Final Affirmative Determination of Critical Circumstances

In accordance with section 733(e)(1) of the Act and 19 CFR 351.206, we preliminarily found critical circumstances exist with respect to imports of certain cold-rolled steel flat products from the PRC-wide entity.<sup>3</sup> As stated above, the Department did not receive any comments concerning the preliminary determination. Thus, for the final determination, we continue to find that, in accordance with section 735(a)(3) of the Act and 19 CFR 351.206, critical circumstances exist with respect to the PRC-wide entity.

## Use of Adverse Facts Available

As stated in the *Preliminary Determination*, the PRC-wide entity failed to cooperate to the best of its ability.<sup>4</sup> Accordingly, pursuant to sections 776(a)(2)(A), (B), and (C) and section 776(b) of the Act, we find it appropriate to assign the estimated weighted-average dumping margin in the table below, which is based on total adverse facts available.<sup>5</sup>

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<sup>3</sup> See *Preliminary Determination*.

<sup>4</sup> See *Id.*, and accompanying Preliminary Decision Memorandum at 9-13.

<sup>5</sup> *Id.*

## Combination Rates

In the *Initiation Notice*,<sup>6</sup> the Department stated that it would calculate combination rates for PRC respondents that are eligible for separate rate in this investigation. This practice is described in Policy Bulletin 05.1, available at <http://enforcement.trade.gov/policy/index.html>. Because the Department has not granted a separate rate to any PRC respondent, the Department has not calculated combination rates for any PRC respondents.

## Final Determination

As stated above, we made no changes to our affirmative preliminary LTFV determination; therefore, we continue to determine the following estimated weighted-average dumping margin exists for the PRC wide-entity during the period January 1, 2015, through June 30, 2015:

<b>Company</b>	<b>Dumping Rate</b>
PRC-Wide Entity	265.79 percent

## Continuation of Suspension of Liquidation

In accordance with section 735(c)(4)(A) of the Act, for the final determination, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of cold-rolled steel from the PRC as described in the “Scope of the Investigation” section which were entered, or withdrawn from warehouse, for consumption 90 days prior to the date of publication of the *Preliminary Determination*, pursuant to section 733(e)(2) of the Act.

As we stated in the *Preliminary Determination*, and consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty investigation,

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<sup>6</sup> See Certain Cold-Rolled Steel Flat Products from Brazil, the People’s Republic of China, India, Japan, the Republic of Korea, the Netherlands, the Russian Federation, and the United Kingdom: Initiation of Less-Than-Fair-Value Investigations, 80 FR 51198 (August 24, 2015) (Initiation Notice).

we will instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the export price or constructed export price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through.<sup>7</sup> With respect to the PRC-wide entity, we find that an adjustment for export subsidies of 66.03 percent<sup>8</sup> is warranted because this is the countervailing duty rate attributable to export subsidies included in the countervailing duty rate to which all entries from the PRC-wide entity are currently subject. We are not adjusting the final determination for estimated domestic subsidy pass-through because we have no basis upon to make such an adjustment. Thus, we will offset the PRC-wide rate of 265.79 by the countervailing duty rate attributable to export subsidies (*i.e.*, 66.03 percent) to calculate the cash deposit *ad valorem* rate for the PRC-wide entity of 199.76 percent.<sup>9</sup> The suspension of liquidation instructions will remain in effect until further notice.

#### Disclosure

We described the calculations used to determine the estimated weighted-average dumping margins based on adverse facts available, in the *Preliminary Determination*. We made

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<sup>7</sup> See *Preliminary Determination*.

<sup>8</sup> See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department makes an adjustment for export subsidies in an LTFV investigation not in the calculation of the weighted-average dumping margin, but in the cash deposit instructions issued to U.S. Customs and Border Protection. See *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at comment 1. The following programs are export specific in the concurrent countervailing duty investigation: Export Loans; Preferential Lending to Cold-Rolled Steel Producers and Exporters Classified As “Honorable Enterprises”; Preferential Income Tax Subsidies for Foreign Invested Enterprises – Export Oriented FIEs; Programs to Rebate Antidumping Legal Fees; Export Assistance Grants; Subsidies for Development of Famous Export Brands and China World Top Brands; Sub-Central Government Programs to Promote Famous Export Brands and China World Top Brands; Export Interest Subsidies; Export Seller’s Credits; Export Buyer’s Credits; Export Credit Insurance Subsidies; Export Credit Guarantees”. See *Countervailing Duty Investigation of Certain Cold-Rolled Steel Flat Products From the People’s Republic of China: Final Affirmative Determination, Final Partial Affirmative Critical Circumstances Determination*, and accompanying Issues and Decision Memorandum. The final determination in this companion CVD proceeding is being released concurrently with this final determination.

<sup>9</sup> The cash deposit rate reflecting the export subsidy offset will be in effect until the countervailing duty provisional measures expire (*i.e.*, 120 days after the publication of the preliminary determination of companion countervailing duty investigation).

no changes to our calculations since the *Preliminary Determination*. Thus, no additional disclosure of calculations is necessary for this final determination.

**International Trade Commission (ITC) Notification**

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of our final affirmative determination of sales at LTFV and final affirmative determination of critical circumstances. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of cold-rolled steel from the PRC no later than 45 days after our final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

**Notification Regarding Administrative Protective Orders**

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: May 16, 2016.

Paul Piquado,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix I** **Scope of the Investigation**

The products covered by this investigation are certain cold-rolled (cold-reduced), flat-rolled steel products, whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The products covered do not include those that are clad, plated, or coated with metal. The products covered include coils that have a width or other lateral measurement (“width”) of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or

- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy (HSLA) steels, motor lamination steels, Advanced High Strength Steels (AHSS), and Ultra High Strength Steels (UHSS). IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. Motor lamination steels contain micro-alloying levels of elements such as silicon and aluminum. AHSS and UHSS are considered high tensile strength and high elongation steels, although AHSS and UHSS are covered whether or not they are high tensile strength or high elongation steels.

Subject merchandise includes cold-rolled steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching, and/or slitting, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cold-rolled steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Ball bearing steels;<sup>10</sup>
- Tool steels;<sup>11</sup>

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<sup>10</sup> Ball bearing steels are defined as steels which contain, in addition to iron, each of the following elements by weight in the amount specified: (i) not less than 0.95 nor more than 1.13 percent of carbon; (ii) not less than 0.22 nor more than 0.48 percent of manganese; (iii) none, or not more than 0.03 percent of sulfur; (iv) none, or not more than 0.03 percent of phosphorus; (v) not less than 0.18 nor more than 0.37 percent of silicon; (vi) not less than 1.25 nor more than 1.65 percent of chromium; (vii) none, or not more than 0.28 percent of nickel; (viii) none, or not more than 0.38 percent of copper; and (ix) none, or not more than 0.09 percent of molybdenum.

<sup>11</sup> Tool steels are defined as steels which contain the following combinations of elements in the quantity by weight respectively indicated: (i) more than 1.2 percent carbon and more than 10.5 percent chromium; or (ii) not less than

- Silico-manganese steel;<sup>12</sup>
- Grain-oriented electrical steels (GOES) as defined in the final determination of the U.S. Department of Commerce in Grain-Oriented Electrical Steel From Germany, Japan, and Poland.<sup>13</sup>
- Non-Oriented Electrical Steels (NOES), as defined in the antidumping orders issued by the U.S. Department of Commerce in Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan.<sup>14</sup>

The products subject to this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7209.15.0000, 7209.16.0030, 7209.16.0060, 7209.16.0070, 7209.16.0091, 7209.17.0030, 7209.17.0060, 7209.17.0070, 7209.17.0091, 7209.18.1530, 7209.18.1560, 7209.18.2510, 7209.18.2520, 7209.18.2580, 7209.18.6020, 7209.18.6090, 7209.25.0000, 7209.26.0000, 7209.27.0000, 7209.28.0000, 7209.90.0000, 7210.70.3000, 7211.23.1500, 7211.23.2000, 7211.23.3000, 7211.23.4500, 7211.23.6030, 7211.23.6060, 7211.23.6090, 7211.29.2030, 7211.29.2090, 7211.29.4500, 7211.29.6030, 7211.29.6080, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7225.50.6000, 7225.50.8080, 7225.99.0090, 7226.92.5000, 7226.92.7050, and 7226.92.8050. The products subject to the investigation may also enter under the following HTSUS numbers: 7210.90.9000, 7212.50.0000, 7215.10.0010, 7215.10.0080, 7215.50.0016, 7215.50.0018, 7215.50.0020, 7215.50.0061, 7215.50.0063, 7215.50.0065, 7215.50.0090, 7215.90.5000, 7217.10.1000, 7217.10.2000, 7217.10.3000, 7217.10.7000, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.19.0000, 7226.19.1000, 7226.19.9000, 7226.99.0180, 7228.50.5015, 7228.50.5040, 7228.50.5070, 7228.60.8000, and 7229.90.1000.

0.3 percent carbon and 1.25 percent or more but less than 10.5 percent chromium; or (iii) not less than 0.85 percent carbon and 1 percent to 1.8 percent, inclusive, manganese; or (iv) 0.9 percent to 1.2 percent, inclusive, chromium and 0.9 percent to 1.4 percent, inclusive, molybdenum; or (v) not less than 0.5 percent carbon and not less than 3.5 percent molybdenum; or (vi) not less than 0.5 percent carbon and not less than 5.5 percent tungsten.

<sup>12</sup> Silico-manganese steel is defined as steels containing by weight: (i) not more than 0.7 percent of carbon; (ii) 0.5 percent or more but not more than 1.9 percent of manganese, and (iii) 0.6 percent or more but not more than 2.3 percent of silicon.

<sup>13</sup> See Grain-Oriented Electrical Steel From Germany, Japan, and Poland: Final Determinations of Sales at Less Than Fair Value and Certain Final Affirmative Determination of Critical Circumstances, 79 Fed. Reg. 42,501, 42,503 (Dep't of Commerce, July 22, 2014). This determination defines grain-oriented electrical steel as "a flat-rolled alloy steel product containing by weight at least 0.6 percent but not more than 6 percent of silicon, not more than 0.08 percent of carbon, not more than 1.0 percent of aluminum, and no other element in an amount that would give the steel the characteristics of another alloy steel, in coils or in straight lengths."

<sup>14</sup> See Non-Oriented Electrical Steel From the People's Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan: Antidumping Duty Orders, 79 Fed. Reg. 71,741, 71,741-42 (Dep't of Commerce, December 3, 2014). The orders define NOES as "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.*, B<sub>800</sub> 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 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."

The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only.  
The written description of the scope of the investigation is dispositive.  
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