



This document is scheduled to be published in the Federal Register on 05/24/2016 and available online at <http://federalregister.gov/a/2016-12191>, and on FDsys.gov

Billing Code: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-588-873]

Certain Cold-Rolled Steel Flat Products from Japan: 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 Japan are being, or 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”). JFE Steel Corporation (“JFE”) and Nippon Steel & Sumitomo Metal Corporation (“NSSMC”) are the mandatory respondents in this investigation. The period of investigation (“POI”) is July 1, 2014 through June 30, 2015. The estimated weighted average dumping margins of sales at LTFV are shown in the “Final Determination” section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Trisha Tran, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4852.

SUPPLEMENTARY INFORMATION:

Background

On March 7, 2016, the Department published its preliminary affirmative determination of sales at LTFV and preliminary affirmative determination of critical circumstances, in part, in the LTFV investigation of cold-rolled steel from Japan.¹ We invited interested parties to comment on our preliminary determination. 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. 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.”² The scope in Appendix I reflects the final unmodified scope language as it appeared in the *Preliminary Determination*.

¹ *See Certain Cold-Rolled Steel Flat Products From Japan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances*, 81 FR 11747 (March 7, 2016) (“*Preliminary Determination*”).

² *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

None of the mandatory respondents in the investigation provided 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 Determinations of Critical Circumstances, in Part

In accordance with section 733(e) of the Act and 19 CFR 351.206, we preliminarily found critical circumstances exist with respect to both of the mandatory respondents in the investigation of cold-rolled steel from Japan. With respect to the “All-Others” group, we preliminarily found that critical circumstances did not exist.³

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 both mandatory respondents and that critical circumstances do not exist for the non-individually examined companies receiving the “All-Others” rate in this investigation.

Use of Adverse Facts Available

As stated in the *Preliminary Determination*, neither JFE nor NSSMC responded to the Department’s questionnaire.⁴ Accordingly, for the final determination, pursuant to section 776(b) of the Act, we applied adverse facts available to JFE and NSSMC.

³ See *Preliminary Determination*.

⁴ *Id.*

Final Determination

As stated above, we made no changes to our preliminary affirmative LTFV determination. Therefore, we continue to determine that the following estimated weighted-average dumping margin exists for the following producers or exporters for the period July 1, 2014 through June 30, 2015.

Exporter/Producer	Weighted-Average Margin
JFE Steel Corporation	71.35 percent
Nippon Steel & Sumitomo Metal Corporation	71.35 percent
All-Others	71.35 percent

In addition, the Department continues to determine that voluntary respondent Hitachi Metals Limited had no sales of subject merchandise during to POI to examine.

All-Others Rate

We cannot apply the methodology described in section 735(c)(5)(A) of the Act to calculate the “All-Others” rate, as all of the margins in the preliminary determination were calculated under section 776 of the Act.⁵ In cases where no weighted-average dumping margins besides zero, *de minimis*, or those determined entirely under section 776 of the Act have been established for individually estimated entities, in accordance with section 735(c)(5)(B) of the Act, the Department averages the margins calculated by the Petitioners in the Petition and applies the result to “All-Other” entities not individually examined. In this case, however, Petitioners calculated only one margin in the Petition. Therefore, for the final determination, we

⁵ *Id.* at 11749.

continue to assign as the “All-Others” rate the only margin in the Petition, which is 71.35 percent.⁶

Continuation and Partial Termination 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 Japan, as described in the scope of the investigation, from the mandatory respondents (*i.e.*, JFE and NSSMC) that are entered, or withdrawn from warehouse, for consumption on or after December 8, 2015, 90 days prior to the date of publication of the *Preliminary Determination* because we continue to find that critical circumstances exist with regard to imports exported by the mandatory respondents. In accordance with sections 733(d)(2) and 735(c)(1)(B) of the Act, for the final determination, we will direct CBP to continue the suspension of liquidation of all entries of cold-rolled steel from Japan, as described in the “Scope of the Investigation” section, from companies receiving the “All-Others” rate which were entered, or withdrawn from warehouse, for consumption on or after March 7, 2016, the date of publication of the *Preliminary Determination*.

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

⁶ See *Certain Oil Country Tubular Goods From Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10487 (February 25, 2014), and accompanying Preliminary Decision Memorandum, unchanged in *Certain Oil Country Tubular Goods From India, the Republic of Korea, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Antidumping Duty Orders; and Certain Oil Country Tubular Goods From the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value*, 79 FR 53691 (September 10, 2014).

International Trade Commission 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, in part. Because the final determination in the 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 Japan 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 appropriate 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 APOs 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 these investigations 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 AI-ISS 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;⁷
- Tool steels;⁸
- Silico-manganese steel;⁹

⁷ 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.

⁸ 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 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.

- 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*.¹⁰
- 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*.¹¹

Also excluded from the scope of this investigation is ultra-tempered automotive steel, which is hardened, tempered, surface polished, and meets the following specifications:

- Thickness: less than or equal to 1.0 mm;
- Width: less than or equal to 330 mm;
- Chemical composition:

Element	C	Si	Mn	P	S
Weight%	0.90-1.05	0.15-0.35	0.30-0.50	Less than or equal to 0.03	Less than or equal to 0.006

- Physical properties:

Width less than or equal to 150mm	Flatness of less than 0.2% of nominal strip width
-----------------------------------	---

⁹ 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.

¹⁰ 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 FR 42,501, 42,503 (July 22, 2014) (“*Grain-Oriented Electrical Steel From Germany, Japan, and Poland*”). 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.”

¹¹ 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 FR 71,741, 71,741-42 (December 3, 2014) (“*Non-Oriented Electrical Steel From the People’s Republic of China, Germany, Japan, the Republic of Korea, Sweden, and Taiwan*”). 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.*, 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 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.”

Width of 150 to 330mm	Flatness of less than 5 mm of nominal strip width
-----------------------	---

- Microstructure: Completely free from decarburization. Carbides are spheroidal and fine within 1% to 4% (area percentage) and are undissolved in the uniform tempered martensite;
- Surface roughness: less than or equal to 0.80 $\mu\text{m Rz}$;
- Non-metallic inclusion:
 - Sulfide inclusion less than or equal to 0.04% (area percentage)
 - Oxide inclusion less than or equal to 0.05% (area percentage); and
- The mill test certificate must demonstrate that the steel is proprietary grade "PK" and specify the following:
 - The exact tensile strength, which must be greater than or equal to 1600 N/mm²;
 - The exact hardness, which must be greater than or equal to 465 Vickers hardness number;
 - The exact elongation, which must be between 2.5% and 9.5%; and
 - Certified as having residual compressive stress within a range of 100 to 400 N/mm².

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.

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

[FR Doc. 2016-12191 Filed: 5/23/2016 8:45 am; Publication Date: 5/24/2016]