



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-552-820)

Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (the Department) determines that imports of circular welded carbon-quality steel pipe (CWP) from the Socialist Republic of Vietnam (Vietnam) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2015, through September 30, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

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

FOR FURTHER INFORMATION CONTACT: Andrew Huston or Nancy Decker, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4261 or (202) 482-0196, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 8, 2016, the Department published the *Preliminary Determination* of this antidumping duty (AD) investigation.¹ On July 15, 2016, the Department published an *Amended*

¹ See *Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 36884 (June 8, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

Preliminary Determination in this investigation.² A summary of the events that occurred since the Department published the *Amended Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Final Issues and Decision Memorandum.³ The Final Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Final Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Final Issues and Decision Memorandum are identical in content.

Scope of the Investigation

The products covered by this investigation are CWP from Vietnam. For a full description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix I of this notice.

Scope Comments

In the *Preliminary Determination*, the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

No interested parties submitted scope comments in case or rebuttal briefs; therefore, for this final determination, the scope of this investigation remains unchanged from that published in

² *See Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam: Amended Affirmative Preliminary Determination*, 81 FR 46048 (July 15, 2016) (*Amended Preliminary Determination*).

³ *See* Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Affirmative Determination in the Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam," (Final Issues and Decision Memorandum), dated concurrently with this determination and hereby adopted by this notice.

the *Preliminary Determination*.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Final Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in June and July 2016, the Department verified the sales and factors of production data reported by the mandatory respondents SeAH Steel VINA Corporation (SeAH) and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. (Hongyuan). We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by respondents.⁴

Changes Since the Preliminary Determination and Amended Preliminary Determination

Based on the Department's analysis of the comments received and our findings at verification, we made certain changes to our margin calculations. For a discussion of these changes, *see* the Final Issues and Decision Memorandum.

Combination Rates

As stated in the *Initiation Notice*,⁵ the Department calculates combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁶

⁴ *See* Memorandum to the File, "Verification of the Questionnaire Responses of SeAH Steel VINA Corp." (August 31, 2016); Memorandum to the File, "Verification of the Questionnaire Responses of SeAH Steel America" (August 31, 2016); Memorandum to the File, "Verification of the Questionnaire Responses of State Pipe & Supply Co." (August 31, 2016); Memorandum to the File, "Verification of the Questionnaire Responses of Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd." (August 30, 2016); and Memorandum to the File, "Verification of the Questionnaire Responses of Midwest Air Technologies" (August 30, 2016).

⁵ *See Certain Corrosion-Resistant Steel Products From Italy, India, the People's Republic of China, the Republic of Korea, and Taiwan: Initiation of Less-Than-Fair-Value Investigations*, 80 FR 37228 (June 30, 2015) (*Initiation*

Separate Rate

Under section 735(c)(5)(A) of the Act, the rate for all other companies that have not been individually examined is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely on the basis of facts available. In this final determination, we calculated a weighted-average dumping margin for Hongyuan which is not zero, *de minimis*, or based entirely on facts available. We calculated a zero margin for SeAH. Accordingly, we determine to use Hongyuan's weighted-average dumping margin as the margin for the separate rate company.

Vietnam-Wide Rate

In our *Preliminary Determination*, we found that the Vietnam-wide entity, which includes one Vietnam exporter and/or producer that did not respond to the Department's requests for information, failed to provide necessary information, withheld information requested by the Department, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. We also concluded that the Vietnam-wide entity failed to cooperate to the best of its ability, pursuant to section 776(b) of the Act. As a result, we preliminarily determined to calculate the Vietnam-wide rate on the basis of adverse facts available (AFA). We first examined whether the highest petition margin was less than or equal to the highest calculated margin, and determined that the highest petition margin of 113.18 percent was the higher of the two. Next, in order to corroborate 113.18 percent as the potential Vietnam-wide rate, we first compared it to the highest product matching control number (CONNUM)-specific

Notice).

⁶ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

margin calculated for the mandatory respondents.⁷ Neither respondent had a CONNUM-specific margin higher than the petition rate. We next compared the normal values (NVs) and U.S. prices in the petition with the NVs and U.S. prices calculated for the respondents. We determined the petition values were within the range of the values calculated for the respondents. Therefore, we determine that the petition rate is corroborated by the actual experience of the mandatory respondents. The changes made to the calculations since the *Preliminary Determination* do not change this analysis. Therefore, we continue to assign the petition rate to the Vietnam-wide entity for this final determination.

Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

Exporter	Producer	Weighted-Average Dumping Margin (Percent)
Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	6.27
Hoa Phat Steel Pipe Co.	Hoa Phat Steel Pipe Co.	6.27
SeAH Steel VINA Corporation	SeAH Steel VINA Corporation	0.00
Vietnam-Wide Entity		113.18

⁷ See Memorandum to the File, “Preliminary Analysis of SeAH Steel Vina Corp. (SeAH),” (SeAH Preliminary Analysis Memorandum) dated May 31, 2016, and Memorandum to Mark Hoadley “Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. Preliminary Analysis Memorandum” (Hongyuan Preliminary Analysis Memorandum), dated May 31, 2016.

Disclosure

We intend to disclose the calculations performed to interested parties within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of CWP from Vietnam, except for those produced and exported by SeAH, the rate for which is zero, which were entered, or withdrawn from warehouse, for consumption on or after: 1) June 8, 2016 (the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*) for the Vietnam-wide entity; and 2) July 15, 2016 (the date of publication of the *Amended Preliminary Determination*) for Hongyuan and Hoa Phat Steel Pipe Co. Further, pursuant to section 735(c)(1)(B)(ii) of the Act, the Department will instruct CBP to require a cash deposit,⁸ as detailed below, on all imports of the subject merchandise from Vietnam, other than those produced and exported by SeAH, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. The cash deposit will be equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) For the exporter/producer combinations listed in the table above, the cash deposit rate will be equal to the dumping margin which the Department determined in this final determination; (2) for all combinations of Vietnamese exporters/producers of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the dumping margin established for the Vietnam-wide entity; and (3) for all non-Vietnamese exporters of merchandise under consideration which have not received their own

⁸ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

separate rate above, the cash deposit rate will be equal to the cash deposit rate applicable to the Vietnam exporter/producer combination that supplied that non-Vietnamese exporter. The suspension of liquidation instructions will remain in effect until further notice.

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. 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 CWP from Vietnam no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. 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 as discussed in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Record Keeping

In the event we issue a final antidumping duty order, in future proceedings we expect Hongyuan’s U.S. affiliate Midwest Air Technologies to modify its recordkeeping system to be able to track the country of origin of U.S. sales of subject merchandise.⁹

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed

⁹ See Final Issues and Decision Memorandum at Comment 15.

under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the 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 violation subject to sanction.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

October 21, 2016 _____
Date

Appendix I

Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
 - (i) 1.80 percent of manganese;
 - (ii) 2.25 percent of silicon;
 - (iii) 1.00 percent of copper;
 - (iv) 0.50 percent of aluminum;
 - (v) 1.25 percent of chromium;
 - (vi) 0.30 percent of cobalt;
 - (vii) 0.40 percent of lead;
 - (viii) 1.25 percent of nickel;
 - (ix) 0.30 percent of tungsten;
 - (x) 0.15 percent of molybdenum;
 - (xi) 0.10 percent of niobium;
 - (xii) 0.41 percent of titanium;
 - (xiii) 0.15 percent of vanadium; or
 - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gage
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17
2.375	0.065	16

2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. 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.

Appendix II

List of Topics Discussed in the Final Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Changes Since the Preliminary Determination
- IV. Use of Adverse Facts Available
- V. Discussion of the Issues

General Issues

Comment 1: Financial Statements to Use for Financial Ratios

Comment 2: Water Surrogate Value

Comment 3: Verification Findings

Company-Specific Issues

SeAH Issues

Comment 4: Misreported U.S. Sales Destinations

Comment 5: SeAH's Sodium Hydroxide and UniCoat Surrogate Values

Comment 6: Brokerage and Handling Related to Hot-Rolled Coil Surrogate Values

Comment 7: Cap on Freight Revenue

Comment 8: Surrogate Value for SeAH's Hot-Rolled Coils

Comment 9: Conversion of Surrogate Value for Vietnamese Inland Freight

Comment 10: U.S. Credit Expenses

Comment 11: Differential Pricing Analysis

Hongyuan Issues

Comment 12: Hongyuan's Hot-Rolled Strip Value

Comment 13: U.S. Indirect Selling Expenses

Comment 14: Treatment of Strengthening Tubes Used For Packing

Comment 15: Record-keeping of Hongyuan's U.S. Affiliate

VI. Recommendation

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