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DEPARTMENT OF COMMERCE

International Trade Administration

(C-570-043)

Stainless Steel Sheet and Strip from the People's Republic of China: 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 order on stainless steel sheet and strip from the People's Republic of China.

DATES: Effective [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION, CONTACT: Spencer Toubia; AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0123.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(d) and 777(i) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on February 8, 2017, the Department published its final determination in the countervailing duty investigation of stainless steel sheet and strip (stainless sheet and strip) from the People's Republic of China (PRC).<sup>1</sup> On March 24, 2017, the ITC notified the Department of its final determination that an industry in the United States is materially injured by reason of subsidized imports of subject merchandise from the PRC within

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<sup>1</sup> See *Countervailing Duty Investigation of Stainless Steel Sheet and Strip from the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 82 FR 9714 (February 8, 2017).

the meaning of section 705(b)(1)(A)(i) of the Act, and its determination that critical circumstances do not exist with respect to imports of subject merchandise from the PRC.<sup>2</sup>

### Scope of the Order

The product covered by this order is stainless steel sheet and strip. For a complete description of the scope of the order, *see* Appendix I.

### 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 determinations that the industry in the United States producing stainless sheet and strip is materially injured by reason of subsidized imports of stainless sheet and strip from the PRC and that critical circumstances do not exist with respect to imports of subject merchandise from the PRC that are subject to the Department's affirmative critical circumstances findings. Therefore, in accordance with section 705(c)(2) of the Act, we are publishing this countervailing duty order.

As a result of the ITC's final determination, in accordance with 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, countervailing duties on unliquidated entries of stainless steel sheet and strip entered, or withdrawn from warehouse, for consumption on or after July 18, 2016, the date on which the Department published its preliminary countervailing duty determination in the *Federal Register*,<sup>3</sup> and before November 14, 2016, the date on which the Department instructed CBP to discontinue the suspension of liquidation on subject merchandise from the

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<sup>2</sup> *See* Letter to Ronald Lorentzen, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from Rhonda K. Schmidlein, Chairman of the U.S. International Trade Commission, regarding stainless steel sheet and strip from the People's Republic of China (March 24, 2017). *See also* *Stainless Steel Sheet and Strip from China*, Investigation Nos. 701-TA-557 and 731-TA-1312 (Final), USITC Publication 4676 (March 2017).

<sup>3</sup> *See* *Countervailing Duty Investigation of Stainless Steel Sheet and Strip from the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 81 FR 46643 (July 18, 2016) (*Preliminary Determination*).

PRC. in accordance with 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. Therefore, entries of stainless sheet and strip from the PRC made on or after November 14, 2016, and prior to the date of publication of the ITC's final determination in the *Federal Register* are not liable for the assessment of countervailing duties due to the Department's discontinuation, effective November 14, 2016, for stainless sheet and strip from the PRC, of the suspension of liquidation.

#### Suspension of Liquidation

In accordance with section 706 of the Act, the Department will direct CBP to reinstitute the suspension of liquidation of stainless sheet and strip from the PRC, effective the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by the Department, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates for the subject merchandise. On or after the date of publication of the ITC's final injury determination in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below:

Company	Subsidy Rate
Shanxi Taigang Stainless Steel Co. Ltd.	75.60 percent
Ningbo Baoxin Stainless Steel Co., Ltd., Baosteel Stainless Steel Co Ltd, Baoshan Iron & Steel Co, Ltd., Baosteel Desheng Stainless Steel Co., Ltd, Baosteel Co., Ltd., Bayi Iron & Steel Co., Ltd., Ningbo Iron & Steel Co., Ltd., Shaoguan Iron & Steel Co., Ltd., Guangdong Shaoguan Iron & Steel Co., Ltd., and Zhanjiang Iron & Steel Co., Ltd.	190.71 percent
Daming International Import Export Co Ltd. and Tianjin Taigang Daming Metal Product Co., Ltd.	190.71 percent
All-Others	75.60 percent

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of stainless sheet and strip from the PRC, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after April 19, 2016 (*i.e.*, 90 days prior to the date of the publication of the *CVD Preliminary Determination*), but before July 18, 2016 (*i.e.*, the date of publication of the *CVD Preliminary Determination*).

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to stainless sheet and strip from the PRC, pursuant to section 706(a) of the Act. Interested parties can find a list of antidumping and countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19  
CFR 351.211(b).

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: March 28, 2017

## Attachment I

### Scope of the Order

The merchandise covered by this order is stainless steel sheet and strip, whether in coils or straight lengths. Stainless steel is an alloy steel containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. The subject sheet and strip is a flat-rolled product with a width that is greater than 9.5 mm and with a thickness of 0.3048 mm and greater but less than 4.75 mm, and that is annealed or otherwise heat treated, and pickled or otherwise descaled. The subject sheet and strip may also be further processed (*e.g.*, cold-rolled, annealed, tempered, polished, aluminized, coated, painted, varnished, trimmed, cut, punched, or slit, etc.) provided that it maintains the specific dimensions of sheet and strip set forth above following such processing. The products described include products regardless of 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.

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 order unless specifically excluded.

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

Excluded from the scope of this order are the following: (1) sheet and strip that is not annealed or otherwise heat treated and not pickled or otherwise descaled; (2) plate (*i.e.*, flat-rolled stainless steel products of a thickness of 4.75 mm or more); and (3) flat wire (*i.e.*, cold-rolled sections, with a mill edge, rectangular in shape, of a width of not more than 9.5 mm).

The products under order are currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7219.13.0031, 7219.13.0051, 7219.13.0071, 7219.13.0081, 7219.14.0030, 7219.14.0065, 7219.14.0090, 7219.23.0030, 7219.23.0060, 7219.24.0030, 7219.24.0060, 7219.32.0005, 7219.32.0020, 7219.32.0025, 7219.32.0035, 7219.32.0036, 7219.32.0038, 7219.32.0042, 7219.32.0044, 7219.32.0045, 7219.32.0060, 7219.33.0005, 7219.33.0020, 7219.33.0025, 7219.33.0035, 7219.33.0036, 7219.33.0038, 7219.33.0042, 7219.33.0044, 7219.33.0045, 7219.33.0070, 7219.33.0080, 7219.34.0005, 7219.34.0020,

7219.34.0025, 7219.34.0030, 7219.34.0035, 7219.34.0050, 7219.35.0005, 7219.35.0015, 7219.35.0030, 7219.35.0035, 7219.35.0050, 7219.90.0010, 7219.90.0020, 7219.90.0025, 7219.90.0060, 7219.90.0080, 7220.12.1000, 7220.12.5000, 7220.20.1010, 7220.20.1015, 7220.20.1060, 7220.20.1080, 7220.20.6005, 7220.20.6010, 7220.20.6015, 7220.20.6060, 7220.20.6080, 7220.20.7005, 7220.20.7010, 7220.20.7015, 7220.20.7060, 7220.20.7080, 7220.90.0010, 7220.90.0015, 7220.90.0060, and 7220.90.0080. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

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