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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-201-836)

Light-Walled Rectangular Pipe and Tube from Mexico: Initiation and Expedited Preliminary Results of Changed Circumstances Review

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

SUMMARY: The Department of Commerce (Department) is simultaneously initiating and issuing the preliminary results of a changed circumstances review (CCR) of the antidumping duty order on light-walled rectangular pipe and tube (LWRPT) from Mexico, consistent with section 751(b) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216 and 351.221(c)(3)(ii). Based on the information on the record, we preliminarily determine that Perfiles LM, S.A. de C.V. (Perfiles) is the successor-in-interest to Perfiles y Herrajes LM, S.A. de C.V. (Perfiles y Herrajes). Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Madeline R. Heeren, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-9179.

SUPPLEMENTARY INFORMATION:

Background

On August 5, 2008, the Department published the antidumping duty order on LWRPT from Mexico.¹ On July 31, 2017, Perfiles y Herrajes informed the Department that, effective July 11, 2017, it had changed its name to "Perfiles LM, S.A. de C.V." (*i.e.*, Perfiles) and requested that the Department conduct a CCR under 19 CFR 351.216(b) to determine that Perfiles is the successor-in-interest to Perfiles y Herrajes for purposes of determining Perfiles' antidumping duty cash deposits and liabilities.²

On August 17, 2017, the Department declined to initiate the CCR that Perfiles y Herrajes requested, citing the need for additional information pertaining to any changes in management, production facilities, customers, and suppliers.³ Therefore, the Department issued Perfiles y Herrajes a questionnaire. On October 2, 2017, Perfiles y Herrajes filed its response, in which it provided additional information to support its request.⁴ We have received no comments from any other interested party.

Scope of the Review

The merchandise subject to this order is certain welded carbon-quality light-walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm.

¹ See *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less Than Fair Value*, 73 FR 45403 (August 5, 2008) (Order).

² See Letter, "Light-Walled Rectangular Pipe and Tube from Mexico – Notice of Change in Company Name," dated July 31, 2017 (CCR Request).

³ See Letter, "Light-Walled Rectangular Pipe and Tube from Mexico: Antidumping Duty Changed Circumstances Review Deficiency Questionnaire," dated August 17, 2017 (CCR Questionnaire).

⁴ See Letter, "Light-Walled Rectangular Pipe and Tube from Mexico - Response to August 17 Questionnaire," dated October 2, 2017 (CCR Questionnaire Response).

The term carbon-quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon-quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated: 1.80 percent of manganese, or 2.25 percent of silicon, or 1.00 percent of copper, or 0.50 percent of aluminum, or 1.25 percent of chromium, or 0.30 percent of cobalt, or 0.40 percent of lead, or 1.25 percent of nickel, or 0.30 percent of tungsten, or 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent vanadium, or 0.15 percent of zirconium.

The description of carbon-quality is intended to identify carbon-quality products within the scope. The welded carbon-quality rectangular pipe and tube subject to this order is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of this order is dispositive.⁵

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act and the Department's regulations (19 CFR 351.216 and 351.221(c)(3)), the Department will conduct a CCR upon receipt of information concerning, or a request from an interested party for a review of, an order which shows changed circumstances sufficient to warrant a review of the order. Generally, in the past, the Department has used CCRs to address the applicability of cash deposit rates after there have been changes in

⁵ For a complete description of the scope of the order, see Memorandum, "Light-Walled Rectangular Pipe and Tube from Mexico: Initiation and Expedited Preliminary Results of Changed Circumstances Review," dated concurrently with, and hereby adopted by, these preliminary results (Preliminary Decision Memorandum).

the name or structure of a respondent, such as a merger or spinoff (*i.e.*, successor-in-interest, or successorship determinations).⁶

Perfiles y Herrajes states that, effective July 11, 2017, Perfiles y Herrajes changed its name to Perfiles.⁷ Consistent with Department practice, as further discussed in the Preliminary Decision Memorandum, we find that the information submitted by Perfiles y Herrajes demonstrates changed circumstances sufficient to warrant a review.⁸ Therefore, in accordance with section 751(b)(1) of the Act and 19 CFR 351.216(d), the Department is initiating a CCR to determine whether Perfiles is the successor-in-interest to Perfiles y Herrajes.

Preliminary Results

When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results of a CCR in a single notice.⁹ The Department has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.¹⁰ In this instance, because the record contains information necessary to support the request for a preliminary determination, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results, in accordance with 19 CFR 351.221(c)(3)(ii).

In a CCR, we generally consider a company to be the successor-in-interest to another company for antidumping cash deposit purposes if the operations of the successor-in-interest are

⁶ See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People’s Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016) (Solar Cells PRC 2016 CCR Final).

⁷ See CCR Request at 1.

⁸ See 19 CFR 351.216(d).

⁹ See 19 CFR 351.221(c)(3)(ii).

¹⁰ See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People’s Republic of China*, 81 FR 76561 (November 3, 2016), unchanged in Solar Cells PRC 2016 CCR Final.

not materially dissimilar from those of its predecessor.¹¹ In making this determination, the Department examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.¹² While no one or several of these factors will necessarily provide a dispositive indication of succession, the Department will generally consider one company to be the successor-in-interest to another company if its resulting operation is essentially the same as that of its predecessor.¹³ Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.¹⁴

In its CCR Questionnaire Response, Perfiles y Herrajes provided evidence demonstrating that Perfiles' operations are not materially dissimilar from those of its predecessor, Perfiles y Herrajes.¹⁵ Specifically, the record indicates that there have not been any material changes to management,¹⁶ production facilities,¹⁷ suppliers,¹⁸ or customer base.¹⁹ Based on the foregoing findings, which are explained in greater detail in the Preliminary Decision Memorandum,²⁰ the Department preliminarily determines that Perfiles is the successor-in-interest to Perfiles y Herrajes and, as such, it is entitled to Perfiles y Herrajes' antidumping cash deposit rate with respect to entries of subject merchandise. Should our final results remain the same as these

¹¹ *Id.*

¹² See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117, 48118 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

¹³ *Id.*

¹⁴ See *Solar Cells PRC 2016 CCR Final*, 81 FR at 91910.

¹⁵ See Letter, "Light-Walled Rectangular Pipe and Tube from Mexico - Response to August 17 Questionnaire," dated October 2, 2017 (CCR Questionnaire Response).

¹⁶ *Id.* at 5-6, Appendices A-3-A, A-3-B, A-4-A, and A-4-B.

¹⁷ *Id.* at 9-10, Appendices A-7-A, A-7-B, and A-7-C.

¹⁸ *Id.* at 11, Appendices A-8-A, and A-8-B.

¹⁹ *Id.* at 8, Appendices A-6-A, and A-6-B.

²⁰ See Preliminary Decision Memorandum.

preliminary results, we will instruct U.S. Customs and Border Protection to suspend liquidation of entries of LWRPT produced and/or exported by Perfiles and apply the antidumping cash deposit rate applicable to Perfiles y Herrajes, effective the date of publication of the final results.

Public Comment

Interested parties may submit case briefs not later than 30 days after the date of publication of this notice.²¹ Rebuttal briefs, limited to issues raised in the case briefs, may be filed by no later than five days after the deadline for filing case briefs.²² Parties who submit case or rebuttal briefs in this CCR are requested to submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument with an electronic version included.²³

Any interested party may request a hearing within 30 days of publication of this notice.²⁴ Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined.²⁵

All submissions, with limited exceptions, must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Time (ET) on the due date. Documents excepted from the electronic submission

²¹ See 19 CFR 321.309(c)(1)(ii).

²² See 19 CFR 351.309(d)(1).

²³ See 19 CFR 351.309(c)(2) and (d)(2).

²⁴ See 19 CFR 351.310(c).

²⁵ See 19 CFR 351.310(d).

requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.²⁶

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated or within 45 days if all parties agree to the outcome of the review. We intend to issue and publish this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3) of the Department's regulations.

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: November 13, 2017

²⁶ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures: Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

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