



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-469-816]

Carbon and Alloy Steel Wire Rod from Spain: Final Determination of Sales at Less Than Fair Value, and Final Determination of Critical Circumstances, in Part

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

SUMMARY: The Department of Commerce (Commerce) determines that carbon and alloy steel wire rod (wire rod) from Spain is being, or is likely to be, sold in the United States at less than fair value (LTFV). In addition, we determine that critical circumstances exist with respect to certain imports of the subject merchandise. The period of investigation (POI) is January 1, 2016 through December 31, 2016.

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

FOR FURTHER INFORMATION CONTACT: Davina Friedmann or Chelsey Simonovich, 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) 482-0698 and (202) 482-1979, respectively.

SUPPLEMENTARY INFORMATION:

Background

On October 31, 2017, Commerce published the *Preliminary Determination* of sales at LTFV of wire rod from Spain.¹ On November 7, 2017, Commerce published the postponement

¹ See *Carbon and Alloy Steel Wire Rod from Spain: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Determination of Critical Circumstances, in Part*, 82 FR 50389 (October 31, 2017) (*Preliminary Determination*), and accompanying memorandum, “Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Carbon and Alloy Steel Wire Rod from Spain,” dated October 24, 2017 (Preliminary Decision Memorandum).

of the final determinations of LTFV investigation and extension of provisional measures.² On December 7, 2017, Commerce published the *Amended Preliminary Determination* of sales at LTFV of wire rod from Spain.³ Commerce has exercised its discretion to toll deadlines affected by the closure of the Federal Government from January 20 through 22, 2018. If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. The revised deadline for the final determination of this investigation is now March 19, 2018.⁴ A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.⁵

Scope of the Investigation

The product covered by this investigation is wire rod from Spain. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

During the course of this investigation, Commerce received numerous scope comments from interested parties. Prior to the *Preliminary Determination*, Commerce issued a Preliminary Scope Decision Memorandum to address these comments. As a result of these comments,

² See *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, Turkey, and the United Kingdom: Postponement of Final Determinations of Less-Than-Fair-Value Investigation and Extension of Provisional Measures*, 82 FR 51613 (November 7, 2017).

³ See *Carbon and Alloy Steel Wire Rod from Spain: Amended Preliminary Determination of Sales at Less Than Fair Value*, 82 FR 57726 (December 7, 2017) (*Amended Preliminary Determination*).

⁴ See Memorandum for The Record from Christian Marsh, Deputy Assistant Secretary for Enforcement and Compliance, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Shutdown of the Federal Government" (Tolling Memorandum), dated January 23, 2018. All deadlines in this segment of the proceeding have been extended by 3 days.

⁵ See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Wire Rod from Spain," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Commerce made no changes to the scope of this investigation as it appeared in the *Initiation Notice*.⁶

In September 2017, we received scope case and rebuttal briefs. On November 20, 2017, we issued the Final Scope Decision Memorandum in response to the comments received.⁷ We did not change the scope of this investigation.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II. The 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 Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

⁶ For discussion of these comments, see Memorandum, "Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determination" (Preliminary Scope Decision Memorandum), dated August 7, 2017; see also *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207 (April 20, 2017) (*Initiation Notice*).

⁷ For discussion of these comments, see Memorandum, "Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum" (Final Scope Decision Memorandum), dated November 20, 2017.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in November and December 2017, we conducted verification of the sales and cost information submitted by Global Steel Wire S.A. (GSW), CELSA Atlantic S.A., and Compañía Española de Laminación (collectively, CELSA) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by CELSA.⁸

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for CELSA. For a discussion of these changes, see the “Margin Calculations” section of the Issues and Decision Memorandum.

Adverse Facts Available

In the *Preliminary Determination*, because mandatory respondent ArcelorMittal Espana S.A. (AME) failed to respond to Commerce’s questionnaire, we applied adverse facts available (AFA) to AME in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308. We corroborated the petition dumping margin of 32.64 percent to the extent practicable within the meaning of section 776(c) of the Act. This is the sole rate identified in the petition, and, thus, we assigned this dumping margin to AME as AFA.

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins

⁸ For discussion of our verification findings, see the following memoranda: Memorandum, “Verification of the Cost Response of Global Steel Wire S.A., CELSA Atlantic S.A., and Compañía Española de Laminación in the Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Wire Rod from Spain,” dated January 8, 2018; and Memorandum, “Verification of the Sales Response of Global Steel Wire S.A., CELSA Atlantic S.A., and Compañía Española de Laminación in the Antidumping Investigation of Carbon Alloy Steel Wire Rod from Spain,” dated January 18, 2018.

established for exporters and producers individually investigated, excluding any zero or *de minimis* margins and margins determined entirely under section 776 of the Act. CELSA is the only respondent for which Commerce calculated a company-specific margin that is not zero, *de minimis*, or based entirely on facts otherwise available. Therefore, for purposes of determining the “all-others” rate and pursuant to section 735(c)(5)(A) of the Act, we are using the dumping margin calculated for CELSA, as referenced in the “Final Determination” section below.

Final Determination

The final weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Dumping Margins (percent)
Global Steel Wire S.A./ CELSA Atlantic S.A./ Compañía Española de Laminación ⁹	11.08
ArcelorMittal Espana S.A.	32.64
All-Others	11.08

Affirmative Determination of Critical Circumstances

In accordance with section 735(a)(3) of the Act and 19 CFR 351.206, Commerce continues to find that critical circumstances do not exist for CELSA and all-other companies, but do exist for AME, for the reasons described in the Issues and Decision Memorandum. For a full description of the methodology and results of Commerce’s critical circumstances analysis, see the “Critical Circumstances” section of the Issues and Decision Memorandum.

⁹ No interested party commented on our preliminary determination that Global Steel Wire S.A., CELSA Atlantic S.A., and Compañía Española de Laminación are affiliated within the meaning of section 771(33)(F) of the Act, and that these companies should be treated as a single entity pursuant to 19 CFR 351.401(f). See *Preliminary Determination*, 82 FR 50389. Accordingly, we are continuing to find these companies affiliated and to treat them as a single entity for these final results.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of wire rod from Spain, which were entered, or withdrawn from warehouse, for consumption on or after October 31, 2017, the date of publication of the preliminary determination of this investigation in the *Federal Register*. For entries made by AME, in accordance with section 735(c)(4)(A) of the Act, because we continue to find that critical circumstances exist, we will instruct CBP to continue to suspend liquidation of all appropriate entries of wire rod from Spain which were entered, or withdrawn from warehouse, for consumption on or after August 2, 2017, which is 90 days prior to the date of publication of the preliminary determination of this investigation in the *Federal Register*.

Further, Commerce will instruct CBP to require a cash deposit equal to the estimated weighted-average dumping margins as shown above.

International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we will notify the 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 wire rod from Spain sold in the United States at LTFV 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, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, 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 above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders (APO)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed 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 sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

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: March 19, 2018.

Appendix I

Scope of the Investigation

The products covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS may also be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these proceedings is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Use of Adverse Facts Available
- IV. Critical Circumstances
- V. Scope of the Investigation
- VI. Scope Comments
- VII. Margin Calculations
- VIII. Discussion of the Issues:
 - Comment 1: Date of Sale and Use of Constructed Export Price
 - Comment 2: Inclusion of Certain Extraordinary Expenses in GSW's Net General and Administrative Expenses
 - Comment 3: Correction of Certain Data Errors
 - Comment 4: Inclusion of Income Attributable to Certain Scrap Sales in GSW's Net General and Administrative Expenses
 - Comment 5: Adjustment of GSW's Reported Costs to Reflect the Yield Loss Attributable to the Cutting Stage of the Production Process
 - Comment 6: Whether GSW Understated its Per-Unit Costs by Reporting Sales Quantities
 - Comment 7: Whether GSW Improperly Calculated Direct Materials Cost on a Product-Group Basis
 - Comment 8: Inclusion of Certain Items in the Calculation of the CELSA Companies' General and Administrative Expense Rates
 - Comment 9: AFA
- IX. Recommendation

[FR Doc. 2018-06147 Filed: 3/27/2018 8:45 am; Publication Date: 3/28/2018]