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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-978]

High Pressure Steel Cylinders from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2016

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

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the countervailing duty (CVD) order on high pressure steel cylinders (steel cylinders) from the People's Republic of China (PRC) for the period of review January 1, 2016, through December 31, 2016. Interested parties are invited to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Toby Vandall or Aimee Phelan, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1664 or (202) 482-0697, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 7, 2017, Commerce published a notice of opportunity to request an administrative review of the CVD order on steel cylinders from the PRC for the period January

1, 2016, through December 31, 2016.¹ On June 13, 2017, and June 30, 2017, we received review requests from Norris Cylinder Company (the petitioner) and Beijing Tianhai Industry Co., Ltd. (BTIC).² We published a notice of initiation for this administrative review on August 1, 2017.³ On February 5, 2018, we postponed the deadline for issuing the preliminary results of this administrative review until July 3, 2018.⁴ For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.⁵ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary 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 <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Order

The merchandise covered by this order is seamless steel cylinders designed for storage or transport of compressed or liquefied gas ("high pressure steel cylinders"). High pressure steel

¹ *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 82 FR 26441 (June 7, 2017).

² *See* Letter from the petitioner, "High Pressure Steel Cylinders from the People's Republic of China Request for Administrative Review and Entry of Appearance" (June 13, 2017); *see also* Letter from BTIC, "Request for the Fifth Administrative Review of the Countervailing Duty Order on High Pressure Steel Cylinders from the People's Republic of China, C-570-978 (POR: 01/01/16-12/31/16)" (June 30, 2017).

³ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 35749 (August 1, 2017) (*Initiation Notice*).

⁴ *See* Memorandum, "High Pressure Steel Cylinders from the People's Republic of China: Extension of Time Limit for Preliminary Results of the Countervailing Duty Administrative Review; 2016," February 5, 2018.

⁵ *See* Memorandum, "Decision Memorandum for the Preliminary Results of 2016 Countervailing Duty Administrative Review of High Pressure Steel Cylinders from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

cylinders are fabricated of chrome alloy steel including, but not limited to, chromium-molybdenum steel or chromium magnesium steel, and have permanently impressed into the steel, either before or after importation, the symbol of a U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (“DOT”)-approved high pressure steel cylinder manufacturer, as well as an approved DOT type marking of DOT 3A, 3AX, 3AA, 3AAX, 3B, 3E, 3HT, 3T, or DOT-E (followed by a specific exemption number) in accordance with the requirements of sections 178.36 through 178.68 of Title 49 of the Code of Federal Regulations, or any subsequent amendments thereof. High pressure steel cylinders covered by this order have a water capacity up to 450 liters, and a gas capacity ranging from 8 to 702 cubic feet, regardless of corresponding service pressure levels and regardless of physical dimensions, finish or coatings.

Excluded from the scope of the order are high pressure steel cylinders manufactured to U-ISO-9809-1 and 2 specifications and permanently impressed with ISO or UN symbols. Also excluded from the order are acetylene cylinders, with or without internal porous mass, and permanently impressed with 8A or 8AL in accordance with DOT regulations.

Merchandise covered by the order is classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under subheading 7311.00.00.30. Subject merchandise may also enter under HTSUS subheadings 7311.00.00.60 or 7311.00.00.90. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under the order is dispositive.

Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found

countervailable, we preliminarily find that there is a subsidy, *i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶ For a full description of the methodology underlying our preliminary conclusions, *see* the Preliminary Decision Memorandum.⁷

In making these findings, we relied, in part, on facts available, and because we find that either the GOC or the respondent company did not act to the best of their ability to respond to our requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁸ For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

Preliminary Results of the Review

We preliminarily find that the following net countervailable subsidy rate exists for the mandatory respondent, BTIC, for the period January 1, 2016, through December 31, 2016:

Company	Subsidy Rate <i>Ad Valorem</i>
Beijing Tianhai Industry Co., Ltd. ⁹	37.77 percent

Assessment Rates

Upon issuance of the final results of this administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP 15 days after publication of the final results of this review.

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁷ A list of topics discussed in the Preliminary Decision Memorandum can be found in Appendix I to this notice.

⁸ *See* sections 776(a) and (b) of the Act.

⁹ As discussed in the Preliminary Decision Memorandum, we have found the following companies to be cross-owned with BTIC: Tianjin Tianhai High Pressure Container Co., Ltd.; Langfang Tianhai High Pressure Container Co., Ltd.; Beijing Jingcheng Machinery Electric Holding Co., Ltd.; and Beijing Jingcheng Machinery Electric Co., Ltd.

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, we also intend, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amount indicated above for BTIC, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Disclosure and Public Comment

We will disclose to parties in this review the calculations performed in reaching the preliminary results within five days of publication in the *Federal Register* of these preliminary results.¹⁰ Unless Commerce instructs otherwise, interested parties may submit written comments (case briefs) on the preliminary results no later than 30 days from the date of publication of this Federal Register notice, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.¹¹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹²

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to the issues raised in the case and rebuttal briefs, must submit a written request to the Assistant

¹⁰ See 19 CFR 351.224(b).

¹¹ See 19 CFR 351.309(c)(1)(ii); 351.309(d)(1); and 19 CFR 351.303 (for general filing requirements).

¹² See 19 CFR 351.309(c)(2) and (d)(2).

Secretary for Enforcement and Compliance, filed electronically via ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.¹³ Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a date and time to be determined.¹⁴ Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, no later than 120 days after the date of publication of this notice.

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: July 3, 2018.

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.

¹³ See 19 CFR 351.310(c).

¹⁴ See 19 CFR 351.310(d).

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Application of the Countervailing Duty Law to Imports from the PRC
- V. Subsidies Valuation Information
- VI. Benchmarks and Interest Rates
- VII. Use of Facts Otherwise Available and Adverse Inferences
- VIII. Analysis of Programs
- IX. Disclosure and Public Comment
- X. Conclusion

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