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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-909]

Certain Steel Nails from the People's Republic of China: Initiation and Expedited Preliminary Results of Antidumping Duty Changed Circumstances Review

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

SUMMARY: Based on a request from Mid Continent Nail Corporation (the petitioner), the Department of Commerce (Commerce) is initiating, and issuing expedited preliminary results of, a changed circumstances review (CCR) of the antidumping duty (AD) order on certain steel nails (nails) from the People's Republic of China (China).

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

FOR FURTHER INFORMATION CONTACT: Susan S. Pulongbarit, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202-482-4031.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2008, Commerce published the antidumping duty order on nails from the China.¹ On April 21, 2011, in response to a request submitted by the petitioner, Commerce published an initiation and preliminary results of a CCR, in which Commerce preliminarily revoked the *Order* with respect to four types of steel nails based on petitioner's expressed lack of

¹ See *Notice of Antidumping Duty Order: Certain Steel Nails from the People's Republic of China*, 73 FR 44961 (August 1, 2008) (*Order*).

interest in antidumping duty relief with respect to such imports.² In addition, Commerce preliminarily adopted petitioner's proposed exclusion language concerning the four types of steel nails, in part, declining to adopt language which would have required the labels "roof" or "roofing" on the packaging of three of the four types of excluded steel nails.³ On May 24, 2011, Commerce published its final results for the CCR revoking the *Order* with respect to the aforementioned four types of steel nails, unchanged from the preliminary results.⁴ Commerce made no changes to the preliminary scope exclusion language, and, thus, aside from the labeling language, Commerce otherwise adopted the new exclusion language proffered by the petitioner.⁵

On March 22, 2017, the petitioner requested that Commerce initiate another CCR to include the labels "roof" or "roofing" on the packaging and packaging marking of three of the four types of steels nails that were excluded from the scope of the *Order* in the *2011 CCR Final Results*.⁶ On April 12, 2017, Commerce received comments from PrimeSource Building Products, Inc. (PrimeSource) requesting that Commerce reject the petitioner's request for a CCR.⁷ On April 18, 2017, Commerce received comments from the petitioner regarding PrimeSource's comments.⁸ On May 11, 2017, Commerce issued a supplemental questionnaire to the petitioner requiring further information regarding its CCR request.⁹ On May 17, 2017, the petitioner submitted its response to the CCR Supplemental.¹⁰ On May 24, 2017, Building

² See *Certain Steel Nails from the People's Republic of China: Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review*, 76 FR 22369 (April 21, 2011) (*2011 CCR Initiation and Preliminary Results*).

³ *Id.*

⁴ See *Certain Steel Nails from the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review*, 76 FR 30101 (May 24, 2011) (*2011 CCR Final Results*).

⁵ *Id.*

⁶ See the Petitioner's March 22, 2017 Request for Changed Circumstances Review (2017 CCR Request).

⁷ See PrimeSource's April 12, 2017 CCR Letter (PrimeSource Comments).

⁸ See the Petitioner's April 18, 2017 Response to Prime Source (Petitioner's PrimeSource Comments).

⁹ See Department Letter re: Changed Circumstances Review Request: Supplemental Questions, dated May 10, 2017 (CCR Supplemental).

¹⁰ See the Petitioner's May 17, 2017 CCR Supplemental Response (CCR Supplemental Response).

Materials Distributors, Inc. (BMD) submitted a letter opposing the petitioner's request for the initiation of a CCR,¹¹ to which the petitioner responded on May 31, 2017.¹² On May 31, 2017, PrimeSource submitted a response to the petitioner's CCR Supplemental Response.¹³

Scope of the Order

The merchandise covered by the *Order* includes certain steel nails having a shaft length up to 12 inches. Certain steel nails subject to the *Order* are currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55, 7317.00.65, 7317.00.75, and 7907.00.6000.¹⁴ While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the *Order* is dispositive.¹⁵

Initiation and Expedited Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(d), Commerce will conduct a CCR of an antidumping or countervailing duty order when it receives information which shows changed circumstances sufficient to warrant such a review. In this case, for the reasons discussed in the Preliminary Determination Memorandum, we find that such sufficient information exists to warrant a CCR.¹⁶ Further, Commerce does not require any additional information to make a preliminary finding. For this reason, as permitted by 19 CFR 351.221(c)(3)(ii), Commerce finds that expedited action is warranted and is conducting this

¹¹ See BMD's May 24, 2017 CCR Letter (BMD Comments).

¹² See the Petitioner's May 31, 2017 Response to BMD (Petitioner's BMD Comments).

¹³ See BMD's May 31, 2017 Response to the Petitioner's CCR Supplemental Response (BMD's May 31, 2017 Comments).

¹⁴ Commerce added the Harmonized Tariff Schedule category 7907.00.6000, "Other articles of zinc: Other," to the language of the *Order*. See Memorandum "Certain Steel Nails from the People's Republic of China: Cobra Anchors Co. Ltd. Final Scope Ruling," dated September 19, 2013.

¹⁵ For a full description of the scope of the *Order*, see Attachment I.

¹⁶ Memorandum, "Decision Memorandum for the Initiation and Expedited Preliminary Determination of Changed Circumstances Review: Certain Steel Nails from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

review on an expedited basis by publishing preliminary results in conjunction with a notice of initiation.

Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.¹⁷ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs.¹⁸ All submissions must be filed electronically using Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. An electronically filed document must be received successfully in its entirety by ACCESS, by 5:00 p.m. Eastern Time on the due dates set forth in this notice.

Any interested party may request a hearing within 14 days of publication of this notice. 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.¹⁹

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 45 days if all parties agree to the outcome of the review.

¹⁷ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for filing of case briefs.

¹⁸ Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for filing of rebuttal briefs.

¹⁹ See 19 CFR 351.310(d).

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: September 11, 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.*

Attachment I

Revised Scope of the Order

The merchandise covered by this order includes certain steel nails having a shaft length up to 12 inches. Certain steel nails include, but are not limited to, nails made of round wire and nails that are cut. Certain steel nails may be of one-piece construction or constructed of two or more pieces. Certain steel nails may be produced from any type of steel, and have a variety of finishes, heads, shanks, point types, shaft lengths and shaft diameters. Finishes include, but are not limited to, coating in vinyl, zinc (galvanized, whether by electroplating or hot dipping one or more times), phosphate cement, and paint. Head styles include, but are not limited to, flat, projection, cupped, oval, brad, headless, double, countersunk, and sinker. Shank styles include, but are not limited to, smooth, barbed, screw threaded, ring shank and fluted shank styles. Screw-threaded nails subject to this order are driven using direct force and not by turning the fastener using a tool that engages with the head. Point styles include, but are not limited to, diamond, blunt, needle, chisel and no point. Finished nails may be sold in bulk, or they may be collated into strips or coils using materials such as plastic, paper, or wire. Certain steel nails subject to this order are currently classified under the Harmonized Tariff Schedule of the United States (“HTSUS”) subheadings 7317.00.55, 7317.00.65, 7317.00.75, and 7907.00.6000.²⁰

Excluded from the scope are steel roofing nails of all lengths and diameter, whether collated or in bulk, and whether or not galvanized. Steel roofing nails are specifically enumerated and identified in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, inclusive of the following modifications: 1) Non-collated (*i.e.*, hand-driven or bulk), steel nails as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: having a bright or galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 4”, inclusive; an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; 2) Wire collated steel nails, in coils, as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: having a galvanized finish, a smooth, barbed or ringed shank, an actual length of 0.500” to 1.75”, inclusive, an actual shank diameter of 0.116” to 0.166”, inclusive; and an actual head diameter of 0.3375” to 0.500”, inclusive; and 3) Non-collated (*i.e.*, hand-driven or bulk), as described in ASTM Standard F 1667 (2005 revision) as Type I, Style 20 nails, as modified by the following description: steel nails having a convex head (commonly known as an umbrella head), a smooth or spiral shank, a galvanized finish, an actual length of 1.75” to 3”, inclusive; an actual shank diameter of 0.131” to 0.152”, inclusive; and an actual head diameter of 0.450” to 0.813”, inclusive.

Also excluded from the scope are the following steel nails: Non-collated (*i.e.*, hand-driven or bulk), two-piece steel nails having plastic or steel washers (caps) already assembled to the nail, having a bright or galvanized finish, a ring, fluted or spiral shank, an actual length of 0.500” to 8”, inclusive; and an actual shank diameter of 0.1015” to 0.166”, inclusive; and an actual washer or cap diameter of 0.900” to 1.10”, inclusive.

²⁰ Commerce added the Harmonized Tariff Schedule category 7907.00.6000, “Other articles of zinc: Other,” to the language of the AD order on Nails from China. See *Certain Steel Nails from the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 18816, 18816 n.5 (April 5, 2018).

Also excluded from the scope of this order are corrugated nails. A corrugated nail is made of a small strip of corrugated steel with sharp points on one side. Also excluded from the scope of this order are fasteners suitable for use in powder-actuated hand tools, not threaded and threaded, which are currently classified under HTSUS 7317.00.20 and 7317.00.30. Also excluded from the scope of this order are thumb tacks, which are currently classified under HTSUS 7317.00.10.00.

Also excluded from the scope of this order are certain brads and finish nails that are equal to or less than 0.0720 inches in shank diameter, round or rectangular in cross section, between 0.375 inches and 2.5 inches in length, and that are collated with adhesive or polyester film tape backed with a heat seal adhesive. Also excluded from the scope of this order are fasteners having a case hardness greater than or equal to 50 HRC, a carbon content greater than or equal to 0.5 percent, a round head, a secondary reduced-diameter raised head section, a centered shank, and a smooth symmetrical point, suitable for use in gas-actuated hand tools. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

Attachment II

List of Topics Discussed in the Preliminary Determination Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Initiation and Expedited Preliminary Results of Changed Circumstances Review
- V. Recommendation

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