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DEPARTMENT OF COMMERCE

International Trade Administration

C-570-978

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

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers/exporters of high pressure steel cylinders from the People's Republic of China (China) for the period of review January 1, 2016, through December 31, 2016.

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

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Background

Commerce published the preliminary results of the administrative review of the CVD order on steel cylinders from the PRC on July 10, 2018.<sup>1</sup> On November 6, 2018, we postponed the final results of this review until November 30, 2018.<sup>2</sup> In this review we examined Beijing

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<sup>1</sup> See *High Pressure Steel Cylinders from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review; 2016*, 83 FR 31951 (July 10, 2018) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum (PDM).

<sup>2</sup> See Memorandum, "High Pressure Steel Cylinders from the People's Republic of China: Extension of Deadline for Final Results of the Countervailing Duty Administrative Review; 2016," November 6, 2018.

Tianhai Industry Co., Ltd. (BTIC), the sole company for which a review was requested. Based on an analysis of the comments received, Commerce has made certain changes to the subsidy rate that was preliminarily determined for BTIC. The final subsidy rate is listed in the “Final Results of Administrative Review” section below.

### Scope of the Order

The products covered by this order are seamless steel cylinders designed for storage or transport of compressed or liquefied gas (“high pressure steel cylinders”). High pressure steel 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.

#### Analysis of Comments Received

The issues raised by the Government of China (GOC), BTIC, and Norris Cylinder Company (the petitioner) in their case and rebuttal briefs are addressed in the Issues and Decision Memorandum.<sup>3</sup> The issues are identified in the Appendix to this notice. 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 <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <https://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Results

Based on comments received from interested parties, we have made revisions to some of our subsidy rate calculations for BTIC. For a discussion of these issues, *see* the Issues and Decision Memorandum.

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<sup>3</sup> *See* Memorandum, “Decision Memorandum for the Final 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 (Issues and Decision Memorandum).

## Methodology

We conducted 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 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.<sup>4</sup> For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum.

## Final Results of the Review

In accordance with section 777A(e) of the Act and 19 CFR 351.221(b)(5), we find that the following net countervailable subsidy rate exists for the mandatory respondent, BTIC, for the period January 1, 2016, through December 31, 2016:

<b>Company</b>	<b>Subsidy Rate <i>Ad Valorem</i></b>
Beijing Tianhai Industry Co., Ltd. <sup>5</sup>	25.57 percent

## Assessment Rates

In accordance with 19 CFR 351.212(b)(2), we intend to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of the final results of this review. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the company listed above, entered, or withdrawn from warehouse, for consumption, from January 1, 2016, through December 31, 2016, at the *ad valorem* rate listed above.

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<sup>4</sup> *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.

<sup>5</sup> 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

We intend also to instruct CBP to collect cash deposits of estimated countervailing duties in the amount shown 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 review. For all non-reviewed firms, Commerce will instruct CBP to continue to collect cash deposits at the most recent company-specific or all-others rate applicable to the company, as appropriate. Accordingly, the cash deposit requirements that will be applied to companies covered by this order, but not examined in this administrative review, are those established in the most recently completed segment of the proceeding for each company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

### Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibilities concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written 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 terms of an APO is a violation which is subject to sanction.

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: November 30, 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

## Appendix

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
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- V. Subsidies Valuation Information
- VI. Benchmarks and Discount Rates
- VII. Analysis of Programs
- VIII. Analysis of Comments
  - Comment 1: Whether to Include or Reject the Russian Benchmark Prices for the Provision of Seamless Tube Steel for LTAR
  - Comment 2: If Including the Russian Benchmark Prices, Whether to Use a Weighted Average World Price to Calculate the Benchmark
  - Comment 3: Whether to Base Benchmark Prices for Billets and Seamless Tube Steel on a Basket HTS Provision
  - Comment 4: Whether to Average Three Datasets Rather than Two Datasets for the Benchmark for the Provision of Seamless Tube Steel for LTAR
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  - Comment 6: Whether to Change the Electricity Benchmark
  - Comment 7: Whether to Calculate Separate Subsidy Rates for High-Quality Chromium Molybdenum Alloy Steel Billets and Blooms and for Standard Commodity Steel Billets
  - Comment 8: Whether to Apply AFA to the Export Buyer's Credit Program
  - Comment 9: Whether Commerce Properly Applied the AFA Hierarchy to the Export Buyer's Credit Program
  - Comment 10: Whether to Use BTIC's Updated Spreadsheet to Calculate the Other Subsidies
- IX. Conclusion

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