



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-079]

#### **Cast Iron Soil Pipe from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value**

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

**SUMMARY:** The Department of Commerce (Commerce) determines that cast iron soil pipe from the People's Republic of China (China) is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is July 1, 2017, through December 31, 2017.

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

**FOR FURTHER INFORMATION CONTACT:** Javier Barrientos, 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) 482-2243.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On August 31, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* in the LTFV investigation of cast iron soil pipe from China.<sup>1</sup> The sole participating mandatory respondent in this investigation is Yucheng Jiangxian Economic

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<sup>1</sup> See *Cast Iron Soil Pipe from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 FR 44567 (August 31, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

Development Zone HengTong Casting Co.,Ltd. (HengTong). Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from December 22, 2018, through the resumption of operations on January 29, 2019. The revised deadline for the final determination of this investigation is now February 22, 2019.<sup>2</sup>

A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by interested parties for this final determination, may be found in the Issues and Decision Memorandum issued concurrently with this notice.<sup>3</sup> 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 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 Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

#### Scope of the Investigation

The products covered by this investigation is cast iron soil pipe from China. For a full description of the scope of this investigation, *see* the "Scope of the Investigation" in Appendix I of this notice. Commerce issued a scope memorandum addressing interested parties' comments regarding scope issues presented in the case briefs and in subsequent scope comments with the *Preliminary Determination*.<sup>4</sup> Commerce's scope is unchanged from the *Preliminary*

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<sup>2</sup> *See* Memorandum for The Record from Gary Taverman, 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 Partial Shutdown of the Federal Government" (Tolling Memorandum), dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

<sup>3</sup> *See* Commerce Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Cast Iron Soil Pipe from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>4</sup> *See* Commerce Memorandum, "Cast Iron Soil Pipe from People's Republic of China: Preliminary Scope Comment

*Determination*. For further discussion, see Commerce's Scope Memorandum. The scope in Appendix I reflects the final scope language.

#### Analysis of Comments Received

The issues raised in the case and rebuttal briefs submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

#### China-Wide Entity and Use of Adverse Facts Available

As stated in the *Preliminary Determination*, Sibio International Limited (Sibo) was selected as a mandatory respondent and, accordingly, we issued it our antidumping duty questionnaire.<sup>5</sup> However, Sibio never responded to our request for information. Therefore, we found that Sibio failed to demonstrate its eligibility for a separate rate, and, as a result, considered it to be part of the China-wide entity.<sup>6</sup> For the reasons explained in the *Preliminary Determination*, we continue to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is warranted in determining the rate for the China-wide entity, which includes Sibio, and other uncooperative respondents.

#### China-Wide Rate

In selecting the AFA rate for the China-wide entity, Commerce's practice is to select a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.<sup>7</sup> Specifically, it is Commerce's practice to select, as an AFA rate, the higher of: (a) the highest dumping margin

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Decision Memorandum," dated August 24, 2018 (Scope Memorandum).

<sup>5</sup> See Preliminary Decision Memorandum at 2.

<sup>6</sup> *Id.* at 11.

<sup>7</sup> See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethyl Cellulose from Finland*, 69 FR 77216 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethyl Cellulose from Finland*, 70 FR 28279 (May 17, 2005).

alleged in the petition; or, (b) the highest calculated dumping margin of any respondent in the investigation.<sup>8</sup> For the final determination, we assigned the China-wide entity, as AFA, a dumping margin of 235.93 percent. Because this rate was a calculated rate, based on a mandatory respondent's data in this segment of the proceeding, it does not constitute secondary information and, therefore, there is no need to corroborate it.

### Separate Rates

For the final determination, we continue to find that HengTong is eligible for a separate rate, as noted below. Section 735(c)(5)(A) of Tariff Act of 1930, as amended (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 established for exporters and producers individually investigated, excluding zero or *de minimis* margins, and any margins determined entirely under section 776 of Act. In this proceeding, Commerce calculated an above-*de minimis* rate that is not based entirely on facts available for the only responding mandatory respondent under individual examination, *i.e.*, HengTong. Thus, consistent with our practice, we are assigning the sole mandatory respondent's rate as the rate for non-individually examined companies that have qualified for a separate rate.<sup>9</sup> This long-standing practice is also Court-

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<sup>8</sup> See, e.g., *Certain Stilbenic Optical Brightening Agents from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 77 FR 17436, 17438 (March 26, 2012); *Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon Quality Steel Products from the People's Republic of China*, 65 FR 34660 (May 31, 2000), and accompanying Issues and Decision Memorandum.

<sup>9</sup> See, e.g., *Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 42314, 42316 (June 29, 2016) ("Under section 735(c)(5)(A) of the Act, the rate for all other companies that have not been individually examined is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely on the basis of facts available. In this final determination, {Commerce} has calculated a rate for TTI that is not zero, *de minimis*, or based entirely on facts available. Therefore, {Commerce} has assigned to the companies that have not been individually examined, but have demonstrated their eligibility for a separate rate, a margin of 101.82 percent, which is the rate for TTI."); *Certain Corrosion Resistant Steel Products from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Final Affirmative Critical Circumstances Determination, in Part*, 81 FR 35316, 35317 (June 2, 2016) ("In this final determination, we calculated a weighted-average dumping margin for Yieh Phui (the only cooperating mandatory respondent) which is not zero, *de minimis*, or based entirely on facts available. Accordingly, we determine to use Yieh Phui's weighted-average dumping margin as the margin for the separate rate

affirmed.<sup>10</sup>

### Combination Rates

In the *Initiation Notice*,<sup>11</sup> Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Accordingly, we have assigned combination rates to certain companies, as provided in the “Final Determination” section below.

### Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from interested parties and our findings at verification, we made certain changes to the calculation of the antidumping duty margin applicable to HengTong. For a discussion of these changes, *see* the Issues and Decision Memorandum.

### Final Determination

Commerce determines that cast iron soil pipe from China are being, or are likely to be, sold in the United States at LTFV, and that the following dumping margins exist:

<b>Producer</b>	<b>Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Yucheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd.	Yucheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd.	235.93
Wu <sup>2</sup> An Yongtian Casting Co., Ltd.	Dalian Lino F.T.Z. Co., Ltd.	235.93

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companies.”); *Narrow Woven Ribbons with Woven Selvedge from Taiwan; Preliminary Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 60627, 60627 (October 7, 2015) *unchanged* in *Narrow Woven Ribbons with Woven Selvedge from Taiwan; Final Results of Antidumping Duty Administrative Review; 2013-2014*, 81 FR 22578 (April 18, 2016).

<sup>10</sup> *See, e.g., Changzhou Wujin Fine Chemical Factory Co., Ltd., v. United States*, 942 F. Supp. 2d 1333, 1339 (CIT 2013); *Longkou Haimeng Mach. Co. v. United States*, 581 F. Supp. 2d 1344, 1357-60 (CIT 2008) (affirming Commerce’s decision to assign a 4.22 percent dumping margin to the separate rate respondents in a segment where the three mandatory respondents received dumping margins of 4.22 percent, 0.03 percent, and zero percent, respectively).

<sup>11</sup> *See Cast Iron Soil Pipe from the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 83 FR 8053 (February 23, 2018) (*Initiation Notice*).

Yangcheng County Huawang Universal Spun Cast Pipe Foundry	Dalian Lino F.T.Z. Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Dalian Metal I/E Co., Ltd.	235.93
Wu'an Yongtian Casting Co., Ltd.	Dalian Metal I/E Co., Ltd.	235.93
Zezhou Golden Autumn Foundry Co., Ltd.	Dalian Metal I/E Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	235.93
Wu'an Kerui xin Machinery Manufacturing Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	235.93
Wu'an Yongtian Casting Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	235.93
Wuan City Feixiang Metal Product Co., Ltd.	Dinggin Hardware (Dalian) Co., Ltd.	235.93
DingXiang County YuTai Casting-Forging Co., Ltd.	Hebei Metals & Engineering Products Trading Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Hebei Metals & Engineering Products Trading Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Kingway Pipe Co., Ltd.	235.93
Zezhou Golden Autumn Foundry Co., Ltd.	Kingway Pipe Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Qinshui Shunshida Casting Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Shanxi Chen Xin Da Castings & Forgings Co., Ltd.	235.93
Shanxi Xuanshi Industrial Group Co., Ltd.	Shanxi Xuanshi Industrial Group Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Shanxi Zhongrui Tianyue Trading Co., Ltd.	235.93
Qinshui Shunshida Casting Co., Ltd.	Terrifour (Dalian) Trading Co., Ltd.	235.93

Shanxi Chengda Special Forging Co., Ltd.	Terrifour (Dalian) Trading Co., Ltd.	235.93
Wuan City Feixiang Metal Product Co., Ltd.	Wuan City Feixiang Metal Product Co., Ltd.	235.93
Zezhou Golden Autumn Foundry Co., Ltd.	Zezhou Golden Autumn Foundry Co., Ltd.	235.93
CHINA-WIDE ENTITY		235.93

Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of cast iron soil pipe from China, as described in the “Scope of the Investigation” section, exported by HengTong, entered or withdrawn from warehouse, for consumption on or after August 31, 2018, the date of publication of the *Preliminary Determination* notice in the *Federal Register*.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have not made a preliminary affirmative determination for domestic subsidy pass-through or

export subsidies. Therefore, we are not adjusting the estimated weighted-average dumping margin for these subsidies.

In addition, pursuant to section 735(c)(1)(B)(ii) of the Act, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which NV exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combination listed in the table above will be the rate identified for that combination in the table; (2) for all combinations of exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of the merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. As Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of cast iron soil pipe from China, or sales (or the likelihood of sales) for importation, of cast iron soil pipe from China. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, Commerce intends to 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.

Notification Regarding Administrative Protective Orders

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/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.

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

Dated: February 22, 2019.

**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 I**

### **Scope of the Investigation**

The merchandise covered by this investigation is cast iron soil pipe, whether finished or unfinished, regardless of industry or proprietary specifications, and regardless of wall thickness, length, diameter, surface finish, end finish, or stenciling. The scope of this investigation includes, but is not limited to, both hubless and hub and spigot cast iron soil pipe. Cast iron soil pipe is nonmalleable iron pipe of various designs and sizes. Cast iron soil pipe is generally distinguished from other types of nonmalleable cast iron pipe by the manner in which it is connected to cast iron soil pipe fittings.

Cast iron soil pipe is classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe is manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888, including any revisions to those specifications. Hub and spigot pipe has one or more hubs into which the spigot (plain end) of a fitting is inserted. All pipe meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

The subject imports are currently classified in subheading 7303.00.0030 of the Harmonized Tariff Schedule of the United States (HTSUS): Cast iron soil pipe. The HTSUS subheading and specifications are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

## Appendix II

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

- I. Summary
- II. Background
- III. China-Wide Rate
- IV. Separate Rates
- V. Scope Comments
- VI. Adjustments for Countervailable Export Subsidies
- VII. Changes Since the Preliminary Determination
- VIII. Discussion of the Issues
  - Comment 1: Incorporation of Minor Corrections
  - Comment 2: Surrogate Value for Pig Iron
  - Comment 3: Surrogate Value for Plastic Strips
  - Comment 4: Surrogate Value for Plywood Boards
  - Comment 5: Ocean Freight Adjustment
  - Comment 6: Surrogate Value for Asphalt Paint
  - Comment 7: Aberrational Surrogate Values
  - Comment 8: Non-Refundable Value-Added Tax (VAT)
- IX. Recommendation

[FR Doc. 2019-03531 Filed: 2/27/2019 8:45 am; Publication Date: 2/28/2019]