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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-891

Carbon and Alloy Steel Wire Rod from the Republic of Korea: Initiation and Expedited Preliminary Results of Antidumping Duty Changed Circumstances Review

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

SUMMARY: 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 carbon and alloy steel wire rod (wire rod) from the Republic of Korea (Korea).

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

FOR FURTHER INFORMATION CONTACT: Thomas Dunne, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone 202-482-2328.

SUPPLEMENTARY INFORMATION:

Background

On May 21, 2018, Commerce published the AD order on wire rod from the Republic of Korea.¹ On October 8, 2018, members of the domestic industry including Nucor Corporation, Optimus Steel LLC Keystone Consolidates Industries, Inc., and Charter Steel requested that Commerce initiate a CCR to revoke, in part, the AD order on wire rod from Korea as to value

¹ See *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, the Republic of Turkey, and the United Kingdom: Antidumping Duty Orders and Amended Final Affirmative Antidumping Duty Determinations for Spain and the Republic of Turkey*, 83 FR 23417 (May 21, 2018).

spring quality (VSQ) wire rod.²

Scope of the Order

The products covered by this order 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 this order 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 also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for

² See letter from domestic industry re: “Carbon and Alloy Steel Wire Rod from the Republic of Korea Domestic Industry’s Request for Initiation of Changed Circumstances Review and Partial Revocation Request,” dated October 8, 2018 (CCR Request)

convenience and customs purposes, the written description of the scope of this order is dispositive.³

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. Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. In addition, in the event Commerce determines that expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notices of initiation and preliminary results.

For the reasons discussed below and in the accompanying proprietary memorandum, we find that such sufficient information exists to warrant a CCR.⁴ 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 review on an expedited basis by publishing preliminary results in conjunction with a notice of initiation.

³ For a description of the domestic industry's proposed exclusion language, *see* the Attachment to this *Federal Register* notice.

⁴ *See* Memorandum, "Analysis of Industry Support for Changed Circumstances Review: Carbon and Alloy Steel Wire Rod from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice.

The six domestic producers filing the request assert that they account for “substantially all”⁵ of the domestic production of carbon and alloy steel wire rod.⁶ Because there is no record information that contradicts this claim, in accordance with section 751(b) of the Act and 19 CFR 351.222(g)(1)(i), we find that the six domestic producers comprise substantially all of the production of the domestic like product.

Because this CCR request was filed less than 24 months after the date of publication of notice of the final determination in the investigation, pursuant to 19 CFR 351.216(c), Commerce must determine whether good cause exists. We find that the six domestic producers’ affirmative statement of no interest in the order with respect to valve spring quality wire rod imported from Korea constitutes good cause for the conduct of this review.⁷ Based on the expression of no interest by the six domestic producers and in the absence of any objection by any other interested parties, we preliminarily determine that substantially all of the domestic producers of the like product have no interest in the continued application of the antidumping duty order on wire rod from Korea with respect to valve spring quality wire rod. Accordingly, we are notifying the public of our intent to revoke, in part, the antidumping duty order as it relates to imports of valve spring quality wire rod from Korea. We intend to change the scope of the order on wire rod from Korea by adding the exclusion language provided in the Attachment to this *Federal Register* notice.

⁵ In its administrative practice, Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. *See, e.g., Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018); *see also Oil Country Tubular Goods from Mexico: Preliminary Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 14213 (March 24, 1999)

⁶ *See* CCR Request at 4 – 5.

⁷ *See e.g., Certain Cold-Rolled Steel Flat Products from Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent To Revoke Order in Part*, 82 FR 821 (January 4, 2017) (finding that “Petitioners’ affirmative statement of no interest in the order . . . constitutes good case for the conduct of this review.”)

Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.⁸ 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.⁹ 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.¹⁰

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.

⁸ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for filing of case briefs.

⁹ Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for filing of rebuttal briefs.

¹⁰ 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: March 12, 2019

Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

Attachment

Proposed Revision to the Scope of the Korea Order

Also excluded are valve spring quality (VSQ) steel products, which is defined as wire rod

(i) Measuring no more than 14 mm in cross-sectional diameter;
(ii) Containing by weight the following elements in the proportions shown:

- (1) 0.51 percent to 0.68 percent, inclusive, of carbon,
- (2) Not more than 0.020 percent of phosphorus,
- (3) Not more than 0.020 percent of sulfur,
- (4) Not more than 0.05 percent of copper,
- (5) Not more than 70 ppm of nitrogen,
- (6) 0.5 percent to 0.8 percent, inclusive, of manganese,
- (7) Not more than 0.1 percent of nickel,
- (8) 1.3 percent to 1.6 percent, inclusive, of silicon,
- (9) Not more than 0.002 percent of titanium,
- (10) Not more than 0.15 percent of vanadium, and
- (11) Not more than 20ppm of oxygen of product; and

(iii) Having non-metallic inclusions not greater than 15 microns and meeting all of the following specific inclusions requirements using the Max-T method:

- (1) No sulfide inclusions greater than 5 microns,
- (2) No alumina inclusions greater than 10 microns,
- (3) No silicate inclusions greater than 5 microns, and
- (4) No oxide inclusions greater than 10 microns.

The size of an inclusion is its thickness perpendicular to the axis of rolling. Max-T method is used to measure the maximum thickness of all inclusions observed in a longitudinal cross-sectional sample with a minimum surface area of 60 mm², taken at the bottom of each coil of every heat.

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