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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-830]

Carbon and Certain Alloy Steel Wire Rod from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2016-2017

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

SUMMARY: The Department of Commerce (Commerce) determines that carbon and certain alloy steel wire rod (wire rod) from Mexico was sold in the United States at less than normal value (NV) during the period of review (POR) October 1, 2016 through September 30, 2017.

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

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington DC 20230; telephone: 202-482-8362.

SUPPLEMENTARY INFORMATION:

Background

On November 14, 2018, Commerce published the *Preliminary Results* of this review in the *Federal Register*.<sup>1</sup> For a summary of events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through

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<sup>1</sup> See *Carbon and Certain Alloy Steel Wire Rod from Mexico: Preliminary Results of Antidumping Duty Administrative Review; 2016–2017*, 83 FR 56800 (November 14, 2018) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results of Antidumping Duty Administrative Review: Carbon and Certain Alloy Steel Wire Rod from Mexico; 2016-2017,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

the resumption of operations on January 29, 2019.<sup>3</sup> On February 12, 2019, Commerce extended the deadline for the final results to June 21, 2019.<sup>4</sup>

### Scope of the Order

The merchandise subject to this order is carbon and certain alloy steel wire rod. The product is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059. Although the HTS numbers are provided for convenience and customs purposes, the written product description remains dispositive.<sup>5</sup>

### Final Determination of No Shipments

As stated in the *Preliminary Results*, we received a no shipment claim from ArcelorMittal Mexico S.A. de C.V. (AMM) (successor-in-interest to ArcelorMittal Las Truchas, S.A. de C.V. (AMLT)) and we preliminarily determined that AMM/AMLT did not have any shipments during the POR.<sup>6</sup> We received no comments from interested parties with respect to this claim and U.S. Customs and Border Protection (CBP) did not report that it had any information to contradict the claim. Therefore, because the record indicates that this company did not export subject merchandise to the United States during the POR, we continue to find that AMM/AMLT had no shipments during the POR. Accordingly, consistent with Commerce's

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<sup>3</sup> See Memorandum to the Record from 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, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding affected by the partial federal government closure have been extended by 40 days.

<sup>4</sup> See Memorandum, "Carbon and Certain Alloy Steel Wire Rod from Mexico: Extension of Time Limit for Final Results," dated February 12, 2019.

<sup>5</sup> For a full description of the scope of the order, see the Issues and Decision Memorandum.

<sup>6</sup> See *Preliminary Results*, 83 FR at 56801.

practice, we intend to instruct CBP to liquidate any existing entries of subject merchandise made during the POR that were produced by AMM/AMLT, but exported by other parties without their own rate, at the all-others rate.<sup>7</sup>

#### Analysis of Comments Received

We addressed all issues raised in the case and rebuttal briefs in the Issues and Decision Memorandum, which is hereby adopted with this notice. 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 <https://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Changes since the Preliminary Results

Based on our analysis of the comments received from parties, we have made certain revisions to the margin calculation for Deacero.<sup>8</sup>

#### Application of Adverse Facts Available with Regard to Ternium

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<sup>7</sup> See, e.g., *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010); see also *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

<sup>8</sup> See Issues and Decision Memorandum; see also Memorandum, "Carbon and Certain Alloy Steel Wire Rod from Mexico, 2016-2017: Deacero Final Results Sales Calculation Memorandum," dated concurrently with this notice; and Memorandum, "Carbon and Certain Alloy Steel Wire Rod from Mexico, 2016-2017: Deacero Final Results Cost of Production Memorandum," dated concurrently with this notice.

Because Ternium failed to respond to Commerce’s questionnaire, we continue to find that necessary information is not on the record and that Ternium withheld information that was requested, failed to provide the requested information within the established deadlines, significantly impeded this review, and failed to cooperate to the best of its ability to comply with Commerce’s request for information in this review. As a result, we based Ternium’s dumping margin on facts otherwise available with an adverse inference (AFA), in accordance with sections 776(a) and (b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.308.<sup>9</sup> As AFA, we have assigned Ternium a dumping margin of 40.52 percent. For further discussion, *see* the Issues and Decision Memorandum.

Final Results of Review

Commerce determines that the following weighted-average dumping margins exist for the period October 1, 2016 through September 30, 2017:

<b>Producer/Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
Deacero S.A.P.I. de C.V.	3.94 percent
Ternium Mexico S.A. de C.V. (Ternium)	40.52 percent

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after publication of these final results in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rates

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<sup>9</sup> For additional information, *see* Final Sales Calculation Memorandum at “Use of Facts Available and Adverse Inferences” section.

In accordance with the final results of this review, Commerce has determined, and CBP shall assess, antidumping duties on all appropriate entries pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b). Commerce intends to issue assessment instructions to CBP 41 days after the date of publication of these final results of review.<sup>10</sup> For Deacero and Ternium, we will instruct CBP to apply an assessment rate to all entries they produced and/or exported equal to the dumping margin indicated above. For Deacero, Commerce has calculated importer-specific antidumping duty assessment rates by aggregating the total amount of dumping calculated for the examined sales of each importer and dividing each of these amounts by the total entered value associated with those sales. Pursuant to 19 CFR 351.106(c)(2), we will instruct CBP to liquidate without regard to antidumping duties any entries for which the importer-specific assessment rate is zero or *de minimis*. Additionally, because Commerce determined that AMM/AMLT had no shipments of subject merchandise during the POR, any suspended entries that entered under AMM/AMLT's case number (*i.e.*, at that company's rate) will be liquidated at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.<sup>11</sup>

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of administrative review for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of the final results of this administrative review, as provided by section 751(a)(2) of the Act: (1) the cash deposit rates for Deacero and Ternium will be the rates established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in

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<sup>10</sup> See 19 CFR 356.8(a).

<sup>11</sup> See *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945, 65947 (October 29, 2002).

this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the producer is, the cash deposit rate will be the rate established for the most recent period for the producer of the merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 20.11 percent, the all-others rate established in the investigation.<sup>12</sup> These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

#### Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or 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 the terms of an APO is a sanctionable violation.

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<sup>12</sup> *Id.*

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: June 21, 2019.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix**

### **List of Topics Discussed in the Final Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Use of Adverse Facts Available
- V. Discussion of Comments

Comment 1: Whether Commerce Should Apply Adverse Facts Available (AFA) to Deacero

Comment 2: Whether Deacero's Reported Sales of Certain Wire Rod Products Were Made Outside the Ordinary Course of Trade

Comment 3: Whether Commerce Should Remove the Sale of Certain Grades of Wire Rod from Deacero's Home Market and U. S. Sales Databases

Comment 4: Whether Commerce Should Revise Deacero's Home Market Credit and Late Payment Expenses

Comment 5: Whether to Use Mid Continent Steel & Wire, Inc.'s (Mid Continent) Revised General and Administrative (G&A) Expense Ratio

Comment 6: Whether Commerce Should Correct Mid Continent's Cost Allocations Based on Machine Time Instead of Production Quantity

Comment 7: Whether Commerce Erred in its Treatment of Deacero's Yield Losses in Calculating Further Manufacturing Cost

Comment 8: Whether Commerce Erred in its Margin Calculations When it Merged Deacero's Further Manufacturing (FURMAN) Database with its U.S. Sales Database

- VI. Recommendation

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