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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-805]

Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Rescission of Review, in Part; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) is conducting an administrative review of the antidumping duty order on certain circular welded non-alloy steel pipe from Mexico. The period of review (POR) is November 1, 2017 through October 31, 2018. We invite interested parties to comment on these preliminary results.

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

FOR FURTHER INFORMATION CONTACT: Mark Flessner, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6312.

SUPPLEMENTARY INFORMATION:

Background

On February 29, 2019, Commerce published in the *Federal Register* a notice of the initiation of the administrative review of the antidumping duty (AD) order¹ on certain circular

¹ See *Notice of Antidumping Duty Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992) (*Order*).

welded non-alloy steel pipe from Mexico for 37 companies.² For a complete description of the events that followed the initiation of this administrative review, *see* the Preliminary Decision Memorandum.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s AD and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content. A list of topics included in the Preliminary Decision Memorandum is included as Appendix I to this notice.

On May 7, 2019, all requests for administrative review were timely withdrawn with regard to 34 companies (listed in Appendix II to this notice), leaving only Conduit, S.A. de C.V. (Conduit), Mueller Comercial de Mexico, S. de R.L. de C.V. (Mueller), and RYMCO subject to the administrative review.⁴ On June 28, 2019, we received a timely filed certification of no shipments of subject merchandise from Mueller.⁵ On July 8, 2019, we received a timely filed certification of no shipments of subject merchandise from Conduit and RYMCO in lieu of a

² *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 2159 (February 6, 2019) (*Initiation Notice*); *see also Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 84 FR 9297 (March 14, 2019) (containing a correction to the listing of the names in the *Initiation Notice*).

³ *See* Memorandum, “Decision Memorandum for Preliminary Results of Antidumping Duty Administrative Review: Certain Circular Welded Non-Alloy Steel Pipe from Mexico: 2017-2018,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* Petitioner’s, “Certain Circular Welded Non-Alloy Steel Pipes and Tubes from Mexico: Partial Withdrawal of Request for Administrative Review,” dated May 7, 2019; *see also* Domestic Interested Parties’ Letter, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Partial Withdrawal of Request for Administrative Review,” dated May 7, 2019.

⁵ *See* Mueller’s Letter, “Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Mueller Certification of No Shipments,” dated June 28, 2019 (Mueller Statement of No Shipments).

questionnaire response.⁶

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.⁷ The revised deadline for the preliminary results is September 11, 2019.

Scope of the Order

The merchandise under review is circular welded non-alloy steel pipes and tubes. The merchandise covered by the *Order* and subject to this review is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheadings: 7306.30.10.00, 7306.30.50.25, 7306.30.50.32, 7306.30.50.40, 7306.30.50.55, 7306.30.50.85, and 7306.30.50.90. Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of these proceedings is dispositive. A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). For a full description of the methodology underlying our preliminary results of review, *see* the Preliminary Decision Memorandum.

Preliminary Determination of No Shipments

Prior to the issuance of the questionnaire, Conduit reported that it made no sales of subject merchandise during the POR.⁸ On May 8, 2019, we placed the U.S. Customs and Border

⁶ *See* Conduit/RYMCO's Letter, "Certain Circular Welded Non-Alloy Steel Pipe from Mexico: Conduit/RYMCO Response to Department Questionnaire -- Statement of No Sales of Subject Merchandise," dated July 8, 2019 (Conduit/RYMCO Statement of No Shipments).

⁷ *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 have been extended by 40 days.

⁸ *See* Conduit's Letter, "Circular Welded Non-Alloy Steel Pipe from Mexico: Response to Comments on Notice of No Sales and Confirmation of No Sales, dated April 19, 2019. This statement included RYMCO.

Protection (CBP) port inquiry instructions on the record that we sent to CBP regarding each company that submitted a statement of no shipments. We received no information from CBP contrary to the statements of no shipments from the companies contained in the attachments to the CBP Information Memorandum.⁹

On July 8, 2019, we received a certification of no shipments of subject merchandise from Conduit and RYMCO which contained documentation supporting their contentions that they had no prior knowledge of subject merchandise exported to the United States during the POR, and that the products listed in the CBP data were not subject merchandise in any case.¹⁰ Based on this evidence, we preliminarily determine that Conduit and RYMCO made no shipments of subject merchandise into the United States during the POR.

As stated above, we received a certification of no shipments of subject merchandise from Mueller which contained documentation in support of its contention that it had no prior knowledge of the entry of products it had sold into the United States.¹¹ Based on this evidence, we preliminarily determine that Mueller made no shipments of subject merchandise into the United States during the POR. Therefore, based on the claims of no shipments by Mueller, and because the record currently contains no information to the contrary, we preliminarily determine that Conduit had no shipments of subject merchandise, and therefore no reviewable transactions, during the POR.

Consistent with our practice, we are not rescinding this review with respect to Conduit, RYMCO and Mueller, but we intend to complete the review of Conduit, RYMCO and Mueller and issue appropriate instructions to CBP based on the final results of this review. For a

⁹ The port inquiries were for: Conduit, ITISA, Lamina y Placa, Mach 1 Aero, Mach 1 Global, Regiopytsa, Tubacero, and TUMEX.

¹⁰ See Conduit/RYMCO Statement of No Shipments.

¹¹ See Mueller Statement of No Shipments.

complete analysis of this statement of no shipments, *see* the Preliminary Decision Memorandum.¹²

Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the party or parties that requested a review withdraw the request within 90 days of the publication date of the notice of initiation of the requested review. As noted above, all requests for administrative review were timely withdrawn for certain companies. Therefore, in accordance with 19 CFR 351.213(d)(1), we are rescinding this administrative review with respect to 34 of the 37 companies named in the *Initiation Notice*.¹³ *See* Appendix II for a list of these companies.

Disclosure and Public Comment

No calculations were performed for these preliminary results. Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results of review.¹⁴ Rebuttal briefs may be filed no later than five days after case briefs are due and may respond only to arguments raised in the case briefs.¹⁵ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) A statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.¹⁶

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time

¹² *See* Preliminary Decision Memorandum, at 6-8.

¹³ *See* *Initiation Notice*, 84 FR at 2160-2161.

within 30 days after the date of publication of this notice.¹⁷ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs.

Unless otherwise extended, Commerce intends to issue the final results of this administrative review, which will include the results of its analysis of issues raised in any briefs, within 120 days of publication of these preliminary results of review, pursuant to section 751(a)(3)(A) of the Act.

Assessment

Upon issuing the final results, Commerce will determine, and CBP shall assess, antidumping duties on all appropriate entries covered by this review.¹⁸ In the case of changes in the methodology used in the final results from those in these preliminary results, if the respondent's weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent) in the final results of this review, we intend to calculate an importer-specific assessment rate on the basis of the ratio of the total amount of antidumping duties calculated for the importer's examined sales and the total entered value of the sales in accordance with 19 CFR 351.212(b)(1).¹⁹ If the respondent's weighted-average dumping margin is zero or *de minimis* in the final results, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.²⁰ The final results of this administrative review shall be the basis for the

¹⁴ See 19 CFR 351.309(c)(ii).

¹⁵ See 19 CFR 351.309(d).

¹⁶ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁷ See 19 CFR 351.310(c).

¹⁸ See 19 CFR 351.212(b)(1).

¹⁹ In these preliminary results, Commerce applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101 (February 14, 2012).

²⁰ *Id.*, 77 FR at 8102.

assessment of antidumping duties on entries of merchandise under review and for future deposits of estimated duties, where applicable.

In the case of no change in the methodology used in the final results from these preliminary results, for entries of subject merchandise during the POR produced by Conduit, Mueller, or RYMCO for which that producer did not know its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.

We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

Cash Deposit Requirements

The following deposit requirements for estimated antidumping duties will be effective upon publication of the notice of final results of this review for all shipments of certain circular welded non-alloy steel pipe from Mexico entered, or withdrawn from warehouse, for consumption on or after the date of publication as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for Conduit, Mueller, and RYMCO, subject to this review, will be the rate established in the final results of the review; (2) for merchandise exported by producers or exporters not covered in this 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; (4) the cash deposit rate for all other producers or exporters will continue to be 36.62 percent,²¹ the all-others rate established in the less-than-fair-value

²¹ See Order.

investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary 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 POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). 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 the terms of an APO is a sanctionable violation.

Notification to Interested Parties

Commerce is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(4).

Dated: September 11, 2019.

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

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Analysis
- V. Conclusion

Appendix II

Companies for Which This Administrative Review Is Being Rescinded

1. Abastecedora y Perfiles y Tubos, S.A. de C.V.
2. ArcelorMittal Tubular Products Monterrey, S.A. de C.V.
3. Arceros El Aguila y
4. Arco Metal, S.A. de C.V.
5. Burner Systems International De Mexico, S.A. de C.V.
6. fischer Mexicana Stainless Steel Tubing S.A. de C.V.
7. fischer Tubtech S.A. de C.V.
8. Fabricaciones Industriales Tumex, S.A. de C. V.
9. Forza Steel, S.A. de C.V.
10. Galvak, S.A. de C.V.
11. Impulsora Tlaxcalteca de Industrias, S.A. de C.V.
12. Industrias Monterrey S.A. de C.V.
13. La Metalica, S.A. de C.V
14. Lamina y Placa Comercial, S.A. de C.V.
15. Mach 1 Aero Servicios, S. de R.L. de C.V.
16. Mach 1 Global Services, Inc.
17. Maquilacero, S.A. de C.V.
18. Nacional de Acero, S.A. de C.V.
19. Nova Tube and Coil de Mexico, S. de R.L. de C.V.
20. Perfiles y Herrajes LM, S.A. de C.V.
21. Precitubo S.A. de C.V.
22. Productos Especializados de Acero, S.A. de C.V.
23. Productos Laminados de Monterrey, S.A. de C.V.
24. PYTCO, S.A. de C.V.
25. Regiomontana de Perfiles y Tubos, S.A. de C.V.
26. Servicios Swecomex, S.A. de C.V.
27. Talleres Acerorey, S.A. de C.V.
28. Ternium Mexico, S.A. de C.V.
29. Tubac, S.A. de C.V.
30. Tubacero S. de R.L. de C.V.
31. Tuberia Laguna, S.A. de C.V.
32. Tuberias Procarsa, S.A. de C.V.
33. Tubesa, S.A. de C.V.
34. Tubos Omega

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