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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-847]

Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2017-2018

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

SUMMARY: The Department of Commerce (Commerce) finds that the producers/exporters subject to this administrative review made sales of subject merchandise at less than normal value during the period of review (POR), September 1, 2017 through August 31, 2018.

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

FOR FURTHER INFORMATION CONTACT: David Crespo or Jacob Garten, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3693 or (202) 482-3342, respectively.

SUPPLEMENTARY INFORMATION:

Background

This review covers 11 producers/exporters of the subject merchandise. Commerce selected two companies, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey S.A. de C.V. (Prolamsa) (collectively, the respondents), for individual examination. The producers/exporters not selected for individual examination are listed in the “Final Results of the Review” section of this notice.

On November 18, 2019, Commerce published the *Preliminary Results*.¹ We invited interested parties to comment on the *Preliminary Results*.² On December 18, 2019, Independence Tube Corporation and Southland Tube, Incorporated, both Nucor companies (collectively, domestic parties), and Maquilacero filed case briefs³. On December 23, 2019, the domestic parties, Prolamsa, and Maquilacero all filed rebuttal briefs.⁴ For a description of the events that occurred since the preliminary results, *see* the Issues and Decision Memorandum.⁵

On February 11, 2020, we postponed the final results by 59 days after the publication of the Preliminary Results, until May 15, 2020.⁶ On April 24, 2020, Commerce tolled all deadlines in administrative reviews by 50 days, thereby extending the deadline for these final results until July 6, 2020.⁷

Commerce conducted this administrative review in accordance with section 751 of the Tariff Act of 1930, as amended (the Act).

¹ *See Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Preliminary Results of Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2017-2018*, 84 FR 63610 (November 18, 2019) (*Preliminary Results*).

² *Id.*

³ *See* Domestic Parties' Case Brief, "Heavy-Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Case Brief and Request to Participate in Hearing if Held," dated December 18, 2019; and Maquilacero's Case Brief, "Heavy Walled Rectangular Welded Carbon Steel Pipes from Mexico: Case Brief of Maquilacero S.A. de C.V.," dated December 18, 2019.

⁴ *See* Domestic Parties' Rebuttal Brief, "Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Rebuttal Brief," dated December 23, 2019; Maquilacero's Rebuttal Brief, "Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Rebuttal Brief," dated December 23, 2020; and Prolamsa's Rebuttal Brief, "Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Rebuttal Brief and Request to Participate in Hearing, if Held," dated December 23, 2019.

⁵ *See* Memorandum, "Issues and Decision Memorandum for the Antidumping Duty Administrative Review: Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico; 2017-2018," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁶ *See* Memorandum, "Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from Mexico: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated February 11, 2020.

⁷ *See* Memorandum, "Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews in Response to Operational Adjustments Due to COVID-19," dated April 24, 2020.

Scope of the Order

The merchandise subject to the order is certain heavy walled rectangular welded steel pipes and tubes of rectangular (including square) cross section, having a nominal wall thickness of not less than 4 mm. The merchandise includes, but is not limited to, the American Society for Testing and Materials (ASTM) A-500, grade B specifications, or comparable domestic or foreign specifications. Included products are those in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.0 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium.

The product is currently classified under following Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7306.61.1000. Subject merchandise may also be classified under 7306.61.3000. Although the HTSUS numbers and ASTM specification are provided for convenience and for customs purposes, the written product description remains dispositive. For a full description of the scope, *see* the Issues and Decision Memorandum.⁸

⁸ *See* Issues and Decision Memorandum.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs are listed in the appendix to this notice and addressed in the Issues and Decision Memorandum. 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>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Determination of No Shipments

As noted in the *Preliminary Results*, we received no shipment claims from two companies involved in this administrative review, Ternium México, S.A. de C.V. (Ternium) and Tuberia Nacional S.A. de C.V. (TUNA). In the *Preliminary Results*, we preliminarily determined that Ternium and TUNA had no reviewable transactions during the POR. We received no comments from interested parties with respect to these claims. Therefore, because the record indicates that these companies did not export subject merchandise to the United States during the POR, we continue to find that Ternium and TUNA had no reviewable transactions during the POR.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain changes to the preliminary weighted-average dumping margins for Maquilacero and Prolamsa, and those companies not selected for individual review.⁹

⁹ See Issues and Decision Memorandum.

Final Results of the Review

We are assigning the following weighted-average dumping margins to the firms listed below for the period September 1, 2017 through August 31, 2018:

Producers/Exporters	Weighted-Average Dumping Margin (percent)
Maquilacero S.A. de C.V.	4.89
Productos Laminados de Monterrey S.A. de C.V.	7.47
Arco Metal S.A. de C.V.*	6.64
Forza Steel S.A. de C.V.*	6.64
Industrias Monterrey, S.A. de C.V.*	6.64
Perfiles y Herrajes LM S.A. de C.V.*	6.64
PYTCO S.A. de C.V.*	6.64
Regiomontana de Perfiles y Tubos S.A. de C.V.*	6.64
Ternium S.A. de C.V.**	**
Tuberia Nacional S.A. de C.V.**	**
Tuberias Procarsa S.A. de C.V.* ¹⁰	6.64

*Review-Specific Average Rate¹¹

**No shipments or sales subject to this review.

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

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act, and 19 CFR 351.212(b)(1), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review.

Where the respondent did not report entered value or reported amounts based on average data, we calculated the entered value in order to calculate the assessment rate. Where either the

¹⁰ We incorrectly listed this company as Tuberia Procarsa S.A. de C.V. in the *Preliminary Results*. We have corrected the name for these final results.

¹¹ This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer-specific rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. We further will instruct CBP to take into account the "provisional measures deposit cap," in accordance with 19 CFR 351.212(d). The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review.¹²

Commerce's "reseller policy" will apply to entries of subject merchandise during the POR produced by companies included in these final results of review for which the reviewed companies did not know that the merchandise they sold to the intermediary (*e.g.*, a reseller, trading company, or exporter) was destined for the United States. In such instances, 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.

For the companies which were not selected for individual review, we will assign an assessment rate based on the average of the cash deposit rates calculated for Maquilacero and Prolamsa.¹³ The final results of this review shall be the basis for the assessment of antidumping

¹² See section 751(a)(2)(C) of the Act.

¹³ This rate was calculated as discussed in footnote 10, above.

duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.¹⁴

We intend to issue liquidation instructions to CBP 41 days after publication of the final results of this review.

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for each specific company listed above will be equal to the weighted-average dumping margin that is established in the final results of this review, except if the rate is less than 0.50 percent and, therefore, *de minimis* within the meaning of 19 CFR 351.106(c)(1), in which case the cash deposit rate will be zero; (2) for previously investigated companies not participating in this review, the cash deposit will continue to be the company-specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, or the original less-than-fair-value (LTFV) investigation, but the producer is, then the cash deposit rate will be the cash deposit rate established for the most recently completed segment for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 3.24 percent, the all-others rate established in the LTFV investigation.¹⁵ These deposit requirements, when imposed, shall remain in effect until further notice.

¹⁴ See section 751(a)(2)(C) of the Act.

¹⁵ See *Heavy Walled Rectangular Welded Carbon Steel Pipes and Tubes from the Republic of Korea, Mexico, and the Republic of Turkey: Antidumping Duty Orders*, 81 FR 62865, 62866 (September 13, 2016).

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 Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

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), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of 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.

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 351.221(b)(5).

Dated: July 6, 2020.

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

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Margin Calculations
- IV. Discussion of Issues
 - Issues Related to Maquilacero
 - Comment 1: Ministerial Errors
 - Comment 2: Cost Calculation Methodology
 - Comment 3: Section 232 Duties
 - Comment 4: Affiliated Reseller Purchases
 - Comment 5: Non-Prime Merchandise
 - Comment 6: Scrap Offset
 - Issues Related to Prolamsa
 - Comment 7: Home Market Level of Trade (LOT) and Constructed Export Price (CEP) Offset
 - Comment 8: Non-Prime Merchandise
 - Comment 9: Overrun Sales
- V. Recommendation

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