

not exceeding 1.5, B not exceeding 1.5, C not exceeding 1.0, D not exceeding 1.5;

(c) Having the following mechanical properties:

(i) With a Brinell hardness not more than 237 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 75ksi min and UTS 95ksi or more, Elongation of 18% or more and Reduction of area 35% or more; having charpy V at -75 degrees F in the longitudinal direction equal or greater than 15 ft. lbs (single value) and equal or greater than 20 ft. lbs (average of 3 specimens) and conforming to the requirements of NACE MR01-75; or

(ii) With a Brinell hardness not less than 240 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 90 ksi min and UTS 110 ksi or more, Elongation of 15% or more and Reduction of area 30% or more; having charpy V at -40 degrees F in the longitudinal direction equal or greater than 21 ft. lbs (single value) and equal or greater than 31 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578-S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301;

(7) Alloy forged and rolled steel CTL plate over 407 mm in actual thickness and meeting the following requirements:

(a) Made from Electric Arc Furnace melted, ladle refined & vacuum degassed, alloy steel with the following chemical composition (expressed in weight percentages):

- Carbon 0.25-0.30,
- Silicon not greater than 0.25,
- Manganese not greater than 0.50,
- Nickel 3.0-3.5,
- Sulfur not greater than 0.010,
- Phosphorus not greater than 0.020,
- Chromium 1.0-1.5,
- Molybdenum 0.6-0.9,
- Vanadium 0.08 to 0.12
- Boron 0.002-0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm.

(b) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.0(t) and 0.5(h), B not exceeding 1.5(t) and 1.0(h), C not exceeding 1.0(t) and 0.5(h), and D not exceeding 1.5(t) and 1.0(h);

(c) Having the following mechanical properties: A Brinell hardness not less than 350 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 145ksi or more and UTS 160ksi or more, Elongation of 15% or more and Reduction of area 35% or more; having charpy V at -40 degrees F in the transverse direction equal or greater than 20 ft. lbs (single value) and equal or greater than 25 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578-S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301.

The products subject to the investigation are currently classified in the Harmonized

Tariff Schedule of the United States (HTSUS) under item numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7225.40.1110, 7225.40.1180, 7225.40.3005, 7225.40.3050, 7226.20.0000, and 7226.91.5000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7208.40.6060, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.19.1500, 7211.19.2000, 7211.19.4500, 7211.19.6000, 7211.19.7590, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.10.0000, 7214.30.0010, 7214.30.0080, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7225.11.0000, 7225.19.0000, 7225.40.5110, 7225.40.5130, 7225.40.5160, 7225.40.7000, 7225.99.0010, 7225.99.0090, 7226.11.1000, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.0500, 7226.91.1530, 7226.91.1560, 7226.91.2530, 7226.91.2560, 7226.91.7000, 7226.91.8000, and 7226.99.0180.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

#### Appendix II—List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Discussion of the Methodology
  - a. Determination of Comparison Method
  - b. Results of the Differential Pricing Analysis
- VI. Date of Sale
- VII. Product Comparisons
- VIII. Export Price/Constructed Export Price
- IX. Normal Value
  - a. Home Market Viability
  - b. Affiliated-Party Transactions and Arm's-Length Test
  - c. Level of Trade
  - d. Cost of Production Analysis
    1. Calculation of COP
    2. Test of Comparison Market Sales Prices
    3. Results of the COP Test
  - e. Calculation of NV Based on Comparison-Market Prices
  - f. Price-to-Constructed Value Comparison
- X. Currency Conversion
- XI. Conclusion

[FR Doc. 2016-27313 Filed 11-10-16; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-047]

#### Certain Carbon and Alloy Steel Cut-To-Length Plate From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value

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

**SUMMARY:** The Department of Commerce ("Department") preliminarily determines that certain carbon and alloy steel cut-to-length plate ("CTL plate") from the People's Republic of China ("PRC") is being, or is likely to be, sold in the United States at less than fair value ("LTFV"). The period of investigation ("POI") is October 1, 2015, through March 31, 2016. The estimated dumping margin of sales at LTFV is shown in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

**DATES:** Effective November 14, 2016.

**FOR FURTHER INFORMATION CONTACT:** Irene Gorelik, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-6905.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department initiated this investigation on April 28, 2016.<sup>1</sup> For a complete description of the events that followed the initiation of this investigation, see the memorandum that is dated concurrently with this determination and hereby adopted by this notice.<sup>2</sup> A list of topics in the Preliminary Decision Memorandum is included as Appendix II to this notice.

The Preliminary Decision Memorandum is a public document and is made available to the public 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 Department's Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at

<sup>1</sup> See *Certain Carbon and Alloy Steel Cut-To-Length Plate From Austria, Belgium, Brazil, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the People's Republic of China, South Africa, Taiwan, and the Republic of Turkey: Initiation of Less-Than-Fair-Value Investigations*, 81 FR 27089 (May 5, 2016) ("Initiation Notice").

<sup>2</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, re: "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Certain Carbon and Alloy Steel Cut-To-Length Plate from the People's Republic of China" ("Preliminary Decision Memorandum").

<http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

### Scope of the Investigation

The product covered by this investigation is CTL plate from the PRC. For a full description of the scope of this investigation, see the "Scope of the Investigation" in Appendix I of this notice.

### Scope Comments

In accordance with the *Preamble* to the Department's regulations,<sup>3</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage, *i.e.*, scope.<sup>4</sup> Certain interested parties commented on the scope of the concurrent CTL plate investigations as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the records of this and the concurrent CTL plate investigations, and a discussion and analysis of all comments timely received, see the Department's Preliminary Scope Decision Memorandum and the Department's Additional Preliminary Scope Decision Memorandum.<sup>5</sup> The Department has preliminarily modified the scope language as it appeared in the *Initiation Notice* to clarify the exclusion for stainless steel plate, corrected two tariff numbers that were misidentified in the Petitions and in the *Initiation Notice*, and modified language pertaining to existing steel plate and hot-rolled flat-rolled steel orders.<sup>6</sup>

<sup>3</sup> See *Antidumping Duties; Countervailing Duties; Final rule*, 62 FR 27296, 27323 (May 19, 1997) ("*Preamble*").

<sup>4</sup> See *Initiation Notice*, 81 FR at 27089.

<sup>5</sup> See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, "Certain Carbon and Alloy Steel Cut-to-Length Plate From Austria, Belgium, Brazil, the People's Republic of China, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the Republic of South Africa, Taiwan, and Turkey: Scope Comments Decision Memorandum for the Preliminary Determinations," dated September 6, 2016 ("Preliminary Scope Decision Memorandum"), and Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, Certain Carbon and Alloy Steel Cut-to-Length Plate From Austria, Belgium, Brazil, the People's Republic of China, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the Republic of South Africa, Taiwan, and Turkey: Additional Scope Comments Preliminary Decision Memorandum and Extension of Deadlines for Scope Case Briefs and Scope Rebuttal Briefs," dated October 13, 2016 ("Additional Preliminary Scope Decision Memorandum"), respectively.

<sup>6</sup> See Preliminary Scope Decision Memorandum at 2 and 56, and Additional Preliminary Scope Decision Memorandum at 10–11 and 20.

### Methodology

The Department is conducting this investigation in accordance with section 731 of the Tariff Act of 1930, as amended ("the Act"). For purposes of this preliminary LTFV determination, the Department continues to treat the PRC as a non-market economy country within the meaning of section 771(18) of the Act. Jiangyin Xingcheng Special Steel Works Co., Ltd., the sole mandatory respondent in this investigation, is not entitled to a separate rate, and is included within the PRC-wide entity. Furthermore, because the PRC-wide entity did not cooperate to the best of its ability with the Department's requests for information, the Department preliminarily determines that the application of adverse facts available ("AFA") is warranted for this preliminary determination, in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308. For a full discussion of the Department's methodology, see Preliminary Decision Memorandum.

### Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. *Policy Bulletin 05.1* describes this practice.<sup>7</sup> However, as described in the Preliminary Decision Memorandum, all parties subject to this investigation are preliminarily found to be part of the PRC-wide entity, to which we do not assign a separate combination rate.<sup>8</sup>

### Preliminary Determination

The Department preliminarily determines that CTL plate from the PRC is being, or is likely to be, sold in the United States at LTFV, pursuant to section 733 of the Act, and that the following estimated dumping margin exists:

<sup>7</sup> See *Enforcement and Compliance's Policy Bulletin No. 05.1*, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries" (April 5, 2005) ("*Policy Bulletin 05.1*"), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

<sup>8</sup> *Id.* See also *Calcium Hypochlorite from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 79 FR 43393, 43394 (July 25, 2014), unchanged in *Calcium Hypochlorite from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 79 FR 74065 (December 15, 2014).

<sup>9</sup> As detailed in the Preliminary Decision Memorandum, Jiangyin Xingcheng Special Steel Works Co., Ltd. the sole mandatory respondent in this investigation, did not demonstrate that it was entitled to a separate rate. Accordingly, we consider this company to be part of the PRC-wide entity.

Exporter	Dumping margin (percent)
PRC-Wide Entity <sup>9</sup> .....	68.27

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, we will direct U.S. Customs and Border Protection ("CBP") to suspend liquidation of all entries of subject merchandise from the PRC, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**. Pursuant to section 733(d) of the Act and 19 CFR 351.205(d), we will instruct CBP to require a cash deposit equal to the margin indicated in the chart above.<sup>10</sup> These suspension of liquidation instructions will remain in effect until further notice.

We normally adjust antidumping duty cash deposit rates by the amount of export subsidies, where appropriate. However, the Department is making no adjustments to the PRC-wide entity's antidumping cash deposit rate of 68.27 percent because the Department made no findings in the companion CVD investigation that any of the programs are export subsidies.<sup>11</sup>

Further, pursuant to section 777A(f) of the Act, we normally adjust cash deposit rates for estimated domestic subsidy pass-through, where appropriate. However, in this case there is no basis to grant a domestic subsidy pass-through adjustment.<sup>12</sup>

### Disclosure

Normally, the Department discloses to interested parties the calculations performed in connection with a preliminary determination within five days of the date of public announcement of a preliminary determination, in accordance with 19 CFR 351.224(b). However, because the Department established only one rate in this investigation based entirely on AFA

<sup>10</sup> See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042, (October 3, 2011).

<sup>11</sup> See Preliminary Decision Memorandum. See also *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination and Extension of Provisional Measures*, 81 FR 36867 (June 8, 2016) and accompanying Preliminary Decision Memorandum at page 13, unchanged in *Circular Welded Carbon-Quality Steel Pipe from Pakistan: Final Affirmative Determination of Sales at Less Than Fair Value*, 81 FR 75028 (October 28, 2016).

<sup>12</sup> See Preliminary Decision Memorandum.

in accordance with section 776 of the Act, there are no calculations to disclose. Accordingly, the calculations performed in connection with this preliminary determination are not proprietary in nature, and are described in the Petition and in the PRC AD Initiation Checklist.<sup>13</sup>

#### Verification

Because the only rate established in this investigation is based entirely on AFA, we do not intend to conduct verification.

#### Public Comment

Interested parties are invited to comment on this preliminary determination. Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of this preliminary determination and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>14</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), 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.

The Department established separate deadlines for interested parties to provide comments on scope issues.<sup>15</sup> Specifically, case briefs on scope issues were to be submitted no later than October 21, 2016. Scope rebuttal briefs, limited to issues raised in the scope case briefs, were to be submitted no later than November 1, 2016.<sup>16</sup> The Department explained that parties

should limit comments on scope issues to their scope case brief and their scope rebuttal brief.<sup>17</sup> Thus, comments on scope issues belong in parties' scope case briefs and scope rebuttal briefs only and not in other case briefs and rebuttal briefs submitted in this investigation. The Department intends to address parties' scope comments in a final scope memorandum.

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, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS by 5:00 p.m. Eastern Standard Time.

Pursuant to section 735(a)(1) of the Act, we intend to make our final determination no later than 75 days after the date of publication of this preliminary determination.

#### International Trade Commission ("ITC") Notification

In accordance with section 733(f) of the Act, we are notifying the ITC of our affirmative preliminary determination of sales at LTFV. If our final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after our final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: November 4, 2016.

**Paul Piquado,**

*Assistant Secretary for Enforcement and Compliance.*

#### Appendix I

##### Scope of the Investigation

The products covered by this investigation are certain carbon and alloy steel hot-rolled or forged flat plate products not in coils, whether or not painted, varnished, or coated with plastics or other non-metallic substances (cut-to-length plate). Subject merchandise includes plate that is produced by being cut-to-length from coils or from other discrete length plate and plate that is rolled or forged into a discrete length. The products covered include (1) Universal mill plates (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm but not exceeding 1250 mm, and of a thickness of not less than 4 mm, which are not in coils and without patterns in relief), and (2) hot-rolled or forged flat steel products of a thickness of 4.75 mm or more and of a width which exceeds 150 mm and measures at least twice the thickness, and which are not in coils, whether or not with patterns in relief. The covered products described above may be rectangular, square, circular or other shapes and include products of either rectangular or non-rectangular cross-section where such non-rectangular cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been "worked after rolling" (*e.g.*, products which have been beveled or rounded at the edges).

For purposes of the width and thickness requirements referenced above, the following rules apply:

(1) Except where otherwise stated where the nominal and actual thickness or width measurements vary, a product from a given subject country is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above unless the product is already covered by an order existing on that specific country (*e.g.*, *Notice of the Antidumping Duty Order: Certain Hot-Rolled Carbon Steel Flat Products From the People's Republic of China*, 66 FR 59561 (November 29, 2001)); and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) Iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is 2 percent or less by weight.

Subject merchandise includes cut-to-length plate that has been further processed in the subject country or a third country, including but not limited to pickling, oiling, levelling, annealing, tempering, temper rolling, skin passing, painting, varnishing, trimming, cutting, punching, beveling, and/or slitting, or any other processing that would not

<sup>13</sup> See Petitions for the Imposition of Antidumping and Countervailing Duties: Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, Brazil, France, the Federal Republic of Germany, Italy, Japan, the Republic of Korea, the People's Republic of China, South Africa, Taiwan, and the Republic of Turkey, dated April 8, 2016 ("Petition"), Volume IV at 24; Supplement to the Petition, dated April 18, 2016; *see also* *Initiation Notice* and accompanying Antidumping Duty Investigation Initiation Checklist: Certain Carbon and Alloy Steel Cut-to-Length Plate from the People's Republic of China ("PRC AD Initiation Checklist"), at pages 7–11; and Preliminary Decision Memorandum at 11–12.

<sup>14</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

<sup>15</sup> See Preliminary Scope Decision Memorandum; Additional Preliminary Scope Decision Memorandum; Memorandum to the File "Deadlines for Submitting Scope Case Briefs and Scope Rebuttal Briefs," dated October 18, 2016 ("Deadline Memo for Scope Briefs"); and Memorandum to the File "Extension of Deadline for Submitting Scope Rebuttal Briefs," dated October 28, 2016 ("Extension Memo for Scope Rebuttal Briefs").

<sup>16</sup> See Deadline Memo for Scope Briefs and Extension Memo for Scope Rebuttal Briefs.

<sup>17</sup> See, *e.g.*, Deadline Memo for Scope Briefs.

otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the cut-to-length plate.

All products that meet the written physical description, are within the scope of this investigation unless specifically excluded or covered by the scope of an existing order. The following products are outside of, and/or specifically excluded from, the scope of this investigation:

(1) Products clad, plated, or coated with metal, whether or not painted, varnished or coated with plastic or other non-metallic substances;

(2) military grade armor plate certified to one of the following specifications or to a specification that references and incorporates one of the following specifications:

- MIL-A-12560,
- MIL-DTL-12560H,
- MIL-DTL-12560J,
- MIL-DTL-12560K,
- MIL-DTL-32332,
- MIL-A-46100D,
- MIL-DTL-46100-E,
- MIL-46177C,
- MIL-S-16216K Grade HY80,
- MIL-S-16216K Grade HY100,
- MIL-S-24645A HSLA-80;
- MIL-S-24645A HSLA-100,
- T9074-BD-GIB-010/0300 Grade HY80,
- T9074-BD-GIB-010/0300 Grade HY100,
- T9074-BD-GIB-010/0300 Grade

HSLA80,

- T9074-BD-GIB-010/0300 Grade

HSLA100, and

- T9074-BD-GIB-010/0300 Mod. Grade

HSLA115,

except that any cut-to-length plate certified to one of the above specifications, or to a military grade armor specification that references and incorporates one of the above specifications, will not be excluded from the scope if it is also dual- or multiple-certified to any other non-armor specification that otherwise would fall within the scope of this order;

(3) stainless steel plate, containing 10.5 percent or more of chromium by weight and not more than 1.2 percent of carbon by weight;

(4) CTL plate meeting the requirements of ASTM A-829, Grade E 4340 that are over 305 mm in actual thickness;

(5) Alloy forged and rolled CTL plate greater than or equal to 152.4 mm in actual thickness meeting each of the following requirements:

(a) Electric furnace melted, ladle refined & vacuum degassed and having a chemical composition (expressed in weight percentages):

- Carbon 0.23–0.28,
- Silicon 0.05–0.20,
- Manganese 1.20–1.60,
- Nickel not greater than 1.0,
- Sulfur not greater than 0.007,
- Phosphorus not greater than 0.020,
- Chromium 1.0–2.5,
- Molybdenum 0.35–0.80,
- Boron 0.002–0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm;

(b) With a Brinell hardness measured in all parts of the product including mid thickness falling within one of the following ranges:

- (i) 270–300 HBW,
- (ii) 290–320 HBW, or
- (iii) 320–350HBW;

(c) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.5, B not exceeding 1.0, C not exceeding 0.5, D not exceeding 1.5; and

(d) Conforming to ASTM A578–S9 ultrasonic testing requirements with acceptance criteria 2 mm flat bottom hole;

(6) Alloy forged and rolled steel CTL plate over 407 mm in actual thickness and meeting the following requirements:

(a) Made from Electric Arc Furnace melted, Ladle refined & vacuum degassed, alloy steel with the following chemical composition (expressed in weight percentages):

- Carbon 0.23–0.28,
- Silicon 0.05–0.15,
- Manganese 1.20–1.50,
- Nickel not greater than 0.4,
- Sulfur not greater than 0.010,
- Phosphorus not greater than 0.020,
- Chromium 1.20–1.50,
- Molybdenum 0.35–0.55,
- Boron 0.002–0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm;

(b) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.5, B not exceeding 1.5, C not exceeding 1.0, D not exceeding 1.5;

(c) Having the following mechanical properties:

(i) With a Brinell hardness not more than 237 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 75ksi min and UTS 95ksi or more, Elongation of 18% or more and Reduction of area 35% or more; having charpy V at –75 degrees F in the longitudinal direction equal or greater than 15 ft. lbs (single value) and equal or greater than 20 ft. lbs (average of 3 specimens) and conforming to the requirements of NACE MR01–75; or

(ii) With a Brinell hardness not less than 240 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 90 ksi min and UTS 110 ksi or more, Elongation of 15% or more and Reduction of area 30% or more; having charpy V at –40 degrees F in the longitudinal direction equal or greater than 21 ft. lbs (single value) and equal or greater than 31 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578–S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301;

(7) Alloy forged and rolled steel CTL plate over 407 mm in actual thickness and meeting the following requirements:

(a) Made from Electric Arc Furnace melted, ladle refined & vacuum degassed, alloy steel with the following chemical composition (expressed in weight percentages):

- Carbon 0.25–0.30,
- Silicon not greater than 0.25,
- Manganese not greater than 0.50,

- Nickel 3.0–3.5,
- Sulfur not greater than 0.010,
- Phosphorus not greater than 0.020,
- Chromium 1.0–1.5,
- Molybdenum 0.6–0.9,
- Vanadium 0.08 to 0.12
- Boron 0.002–0.004,
- Oxygen not greater than 20 ppm,
- Hydrogen not greater than 2 ppm, and
- Nitrogen not greater than 60 ppm.

(b) Having cleanliness in accordance with ASTM E45 method A (Thin and Heavy): A not exceeding 1.0(t) and 0.5(h), B not exceeding 1.5(t) and 1.0(h), C not exceeding 1.0(t) and 0.5(h), and D not exceeding 1.5(t) and 1.0(h);

(c) Having the following mechanical properties: A Brinell hardness not less than 350 HBW measured in all parts of the product including mid thickness; and having a Yield Strength of 145ksi or more and UTS 160ksi or more, Elongation of 15% or more and Reduction of area 35% or more; having charpy V at –40 degrees F in the transverse direction equal or greater than 20 ft. lbs (single value) and equal or greater than 25 ft. lbs (average of 3 specimens);

(d) Conforming to ASTM A578–S9 ultrasonic testing requirements with acceptance criteria 3.2 mm flat bottom hole; and

(e) Conforming to magnetic particle inspection in accordance with AMS 2301.

Excluded from the scope of the antidumping duty investigation on cut-to-length plate from the People's Republic of China are any products covered by the existing antidumping duty order on certain cut-to-length carbon steel plate from the People's Republic of China. *See Suspension Agreement on Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China; Termination of Suspension Agreement and Notice of Antidumping Duty Order*, 68 FR 60,081 (Dep't Commerce Oct. 21, 2003), as amended, *Affirmative Final Determination of Circumvention of the Antidumping Duty Order on Certain Cut-to-Length Carbon Steel Plate From the People's Republic of China*, 76 FR 50,996, 50,996–97 (Dep't of Commerce Aug. 17, 2011). On August 17, 2011, the U.S. Department of Commerce found that the order covered all imports of certain cut-to-length carbon steel plate products with 0.0008 percent or more boron, by weight, from China not meeting all of the following requirements: Aluminum level of 0.02 percent or greater, by weight; a ratio of 3.4 to 1 or greater, by weight, of titanium to nitrogen; and a hardenability test (*i.e.*, Jominy test) result indicating a boron factor of 1.8 or greater.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7211.13.0000, 7211.14.0030, 7211.14.0045, 7225.40.1110, 7225.40.1180, 7225.40.3005, 7225.40.3050, 7226.20.0000, and 7226.91.5000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7208.40.6060, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.19.1500, 7211.19.2000, 7211.19.4500,

7211.19.6000, 7211.19.7590, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.10.0000, 7214.30.0010, 7214.30.0080, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7225.11.0000, 7225.19.0000, 7225.40.5110, 7225.40.5130, 7225.40.5160, 7225.40.7000, 7225.99.0010, 7225.99.0090, 7226.11.1000, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.0500, 7226.91.1530, 7226.91.1560, 7226.91.2530, 7226.91.2560, 7226.91.7000, 7226.91.8000, and 7226.99.0180.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

## Appendix II

### List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope Comments
- V. Selection of Respondents
- VI. Discussion of The Methodology
  - a. Non-Market Economy Country
  - b. Separate Rates
  - c. The PRC-Wide Entity
  - d. Application of Facts Available and Adverse Inferences
  - e. Selection and Corroboration of the AFA Rate
- VII. Adjustment Under Section 777a(F) of The Act
- VIII. Adjustments to Cash Deposit Rates for Export Subsidies
- IX. Conclusion

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-026, C-570-027]

### Certain Corrosion-Resistant Steel Products From the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders

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

**SUMMARY:** In response to requests from ArcelorMittal USA LLC, Nucor Corporation, United States Steel Corporation, and AK Steel Corporation, as well as Steel Dynamics, Inc. and California Steel Industries, (collectively, Domestic Producers), the Department of Commerce (the Department) is initiating anti-circumvention inquiries to determine whether certain imports of corrosion-resistant steel products (CORE), produced in the Socialist Republic of Vietnam (Vietnam) using carbon hot-rolled steel (HRS) and cold-rolled steel (CRS) flat products manufactured in the People's Republic

of China (PRC), are circumventing the antidumping duty (AD) and countervailing duty (CVD) orders on CORE from the PRC.

**DATES:** Effective November 14, 2016.

**FOR FURTHER INFORMATION CONTACT:** Nancy Decker, 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) 482-0196.

### SUPPLEMENTARY INFORMATION:

#### Background

On June 3, 2015, AK Steel Corporation, ArcelorMittal USA LLC, Nucor Corporation, Steel Dynamics, Inc., and the United States Steel Corporation (collectively, Petitioners) filed petitions seeking the imposition of antidumping and countervailing duties on imports of CORE from India, Italy, the Republic of Korea, PRC, and Taiwan. Following the Department's affirmative determinations of dumping and countervailable subsidies,<sup>1</sup> and the U.S. International Trade Commission (ITC) finding of material injury,<sup>2</sup> the Department issued antidumping duty and countervailing duty *Orders*<sup>3</sup> on imports of CORE from the PRC.

On September 22, 2016, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.225(h), Steel Dynamics, Inc. and California Steel Industries submitted requests for the Department to initiate anti-circumvention inquiries to determine whether producers in Vietnam of CORE are circumventing the *Orders* on CORE from the PRC by exporting to the United States CORE products completed or assembled in various Vietnamese facilities, from inputs of HRS and CRS sourced from

<sup>1</sup> See *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 (June 2, 2016), and *Countervailing Duty Investigation of Certain Corrosion-Resistant Steel Products From the People's Republic of China: Final Affirmative Determination, and Final Affirmative Critical Circumstances Determination, in Part*, 81 FR 35308 (June 2, 2016).

<sup>2</sup> See *Certain Corrosion-Resistant Steel Products From China, India, Italy, Korea, and Taiwan; Determinations*, 81 FR 47177 (July 20, 2016).

<sup>3</sup> See *Certain Corrosion-Resistant Steel Products From India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016), and *Certain Corrosion-Resistant Steel Products From India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016) (collectively *Orders*).

the PRC.<sup>4</sup> On September 23, 2016, pursuant to section 781(b) of the Act and 19 CFR 351.225(h), ArcelorMittal USA LLC, Nucor Corporation, United States Steel Corporation, and AK Steel Corporation, collectively, submitted a request for the Department to initiate anti-circumvention inquiries and to issue in conjunction with initiation of the inquiries preliminary determinations of circumvention of the *Orders* to suspend liquidation of imports of CORE from Vietnam.<sup>5</sup>

On October 17, 2016, we received comments objecting to the allegations from Domestic Producers from Metallia U.S.A., LLC, Metallia, A Division of Hartree Partners, LP, Nippon Steel and Sumiken Bussan Americas Inc., Mitsui & Co. (U.S.A.), Inc., and Marubeni-Itochu Steel America Inc. (collectively, Metallia).<sup>6</sup> Also on October 17, 2016, we received comments objecting to the allegations from Minmetals, Inc. (Minmetals).<sup>7</sup> On October 20, 2016, we received comments objecting to the allegations from China Steel Sumikin Vietnam Joint Stock Company (CSVC)<sup>8</sup> and from Duferco Steel Inc. (Duferco).<sup>9</sup> On October 21, 2016, we received comments objecting to the allegations from T.Co Metals LLC (TCO).<sup>10</sup> On October 26, 2016, we received comments objecting to the allegations from Summit Global Trading, a subsidiary of Sumitomo Corporation of

<sup>4</sup> See Letter from Schagrin Associates to the Secretary of Commerce; "*Certain Corrosion-Resistant Steel Products from China: Request for Circumvention Ruling*," dated September 22, 2016 (Schagrin Request).

<sup>5</sup> See Letter from Kelley Drye & Warren LLP, King & Spalding LLP, Wiley Rein LLP, and Quinn Emanuel Urquhart & Sullivan, LLP to the Secretary of Commerce, regarding "*Certain Corrosion-Resistant Steel Products from the People's Republic of China—Request for Circumvention Ruling Pursuant to Section 781(b) of the Tariff Act of 1930*," dated September 23, 2016 (Petitioners Request).

<sup>6</sup> See Letter from Morris, Manning & Martin, LLP to the Secretary of Commerce, regarding "*Certain Cold-Rolled Steel Flat Products and Corrosion-Resistant Steel Products from the People's Republic of China: Response to Request for Anti-Circumvention Inquiry*," dated October 17, 2016.

<sup>7</sup> See Letter from Minmetals, Inc. to the Secretary of Commerce, dated October 17, 2016.

<sup>8</sup> See Letter from Mowry & Grimson, PLLC and Sidley Austin LLP, regarding "*Certain Corrosion-Resistant Steel Products from China—Response to Petitioners' Circumvention Allegations*," dated October 20, 2016.

<sup>9</sup> See Letter from Arent Fox, regarding "*Certain Corrosion-Resistant Steel Products from the People's Republic of China: Response to Request for Anti-Circumvention Inquiry*," dated October 20, 2016 (Duferco Comments).

<sup>10</sup> See Letter from Drinker Biddle & Reath, LLP, regarding "*Certain Corrosion-Resistant Steel Products from the People's Republic of China: Response to Request for Anti-Circumvention Inquiry*," dated October 21, 2016 (TCO Comments).