

**DEPARTMENT OF COMMERCE****International Trade Administration**

[C-533-858]

**Certain Oil Country Tubular Goods From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances**

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

**SUMMARY:** The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of certain oil country tubular goods (OCTG) from India. For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

**DATES:** *Effective Date:* July 18, 2014.

**FOR FURTHER INFORMATION CONTACT:**

Myrna Lobo, Elfi Blum or Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-2371, (202) 482-0197, and (202) 482-2316, respectively.

**SUPPLEMENTARY INFORMATION:****Background**

The petitioners in this investigation are United States Steel Corporation, Maverick Tube Corporation, Boomerang Tube, Energex Tube, a division of JMC Steel Group, Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, Vallourec Star, L.P., and Welded Tube USA Inc. This investigation covers 64 government programs. In addition to the Government of India (GOI), the mandatory respondents in this investigation are: (1) GVN Fuels Limited and its cross-owned producers Maharashtra Seamless Limited and Jindal Pipes Limited (GVN/MSL/JPL); and (2) Jindal SAW Limited (Jindal SAW). The period of investigation for which we are measuring subsidies is January 1, 2012, through December 31, 2012.

**Case History**

The events that have occurred since the Department published the *Preliminary Determination*<sup>1</sup> on

December 23, 2013 and the *Preliminary Determination of Critical Circumstances*<sup>2</sup> on January 27, 2014, are discussed in the Issues and Decision Memorandum.<sup>3</sup> 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 (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov>, and is available to all parties in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly 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.

**Scope of the Investigation**

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock. For a complete description of the scope of the investigation, see Appendix I to this notice.

**Critical Circumstances**

In our *Preliminary Determination of Critical Circumstances*, we determined that critical circumstances exist with respect to Jindal SAW, but do not exist with respect to imports from GVN/MSL/

JPL and "all other" exporters of OCTG from India.<sup>4</sup> Our analysis for the final determination indicates that critical circumstances continue to exist for imports from Jindal SAW. In addition, we determine that critical circumstances exist for imports from "all other" producers and exporters from India. We continue to find that critical circumstances do not exist with respect to imports from GVN/MSL/JPL. Therefore, in accordance with section 705(a)(2) of the Tariff Act of 1930, as amended (the Act), we determine that critical circumstances exist with respect to imports from Jindal SAW and "all other" exporters of OCTG from India. We determine that critical circumstances do not exist with respect to GVN/MSL/JPL.

**Analysis of Subsidy Programs and Comments Received**

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the Issues and Decision Memorandum, which is hereby adopted by this notice. A list of the subsidy programs and issues that parties have raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as Appendix II.

**Use of Facts Otherwise Available, Including Adverse Inferences**

For the purposes of this final determination, we relied on facts available and in certain instances have applied an adverse inference (AFA) in accordance with sections 776(a) and (b) of the Act, with regard to the following programs: Advance License Program/ Advance Authorization Program, Export Promotion Capital Goods Program, Pre-Shipment and Post-Shipment Export Financing, Provision of Hot-Rolled Steel by the Steel Authority of India, Ltd. at Less Than Adequate Remuneration, State Government of Maharashtra Sales Tax Program, and Duty Drawback. A full discussion of our decision to apply AFA is presented in the Decision Memorandum under the section "Use of Facts Otherwise Available and Adverse Inferences."

**Suspension of Liquidation**

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated

<sup>1</sup> See *Certain Oil Country Tubular Goods From India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 78 FR 77421 (December 23, 2013) (*Preliminary Determination*).

<sup>2</sup> See *Certain Oil Country Tubular Goods from India and Turkey: Preliminary Determination of Critical Circumstances in the Countervailing Duty Investigations*, 79 FR 4333 (January 27, 2014) (*Preliminary Determination of Critical Circumstances*).

<sup>3</sup> See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance regarding "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Oil Country Tubular Goods from India," dated concurrently with this notice (Issues and Decision Memorandum).

<sup>4</sup> See *Certain Oil Country Tubular Goods From India and Turkey: Preliminary Determination of Critical Circumstances in the Countervailing Duty Investigations*, 79 FR 4333 (January 27, 2014) (*Preliminary Determination of Critical Circumstances*).

a rate for each company respondent.<sup>5</sup> Section 705(c)(5)(A)(i) of the Act states that for companies not individually investigated, we will determine an “all others” rate equal to the weighted average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Because we are unable to calculate a weighted average rate, we calculated a simple average of the two respondents rates as the “all others” rate.

We determine the total estimated net countervailable subsidy rates to be:

Company	Subsidy rate (percent)
GVN Fuels Limited/ Maharashtra Seamless Limited/Jindal Pipes Limited .....	5.67
Jindal SAW Limited .....	19.11
All Others .....	12.39

As a result of our *Preliminary Determination* and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from India, other than those produced/exported by Jindal SAW which received a *de minimis* countervailable subsidy rate in the *Preliminary Determination*, entered or withdrawn from warehouse, for consumption on or after December 23, 2013, the date of the publication of the *Preliminary Determination* in the **Federal Register**.

In accordance with section 703(d) of the Act, we subsequently issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after April 22, 2014, but to continue the suspension of liquidation of all entries, excepting Jindal SAW, from December 23, 2013, through April 21, 2014.

The Department determines that critical circumstances exist with respect to imports of subject merchandise from Jindal SAW and “all other” companies.<sup>6</sup> Consistent with sections 705(c)(1)(C) and 705(c)(4)(C) of the Act, because provisional measures are not in effect for Jindal SAW, we will begin the

suspension of liquidation for Jindal SAW, and require a cash deposit for such entries of merchandise in the amount indicated above, with effect from 90 days prior to the date of publication of the final determination in the **Federal Register**. If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty (CVD) order and reinstate the suspension of liquidation for GVN/MSL/JPL and “all other” companies, and require a cash deposit for such entries of merchandise in the amounts indicated above. As a result of the critical circumstances determination for “all other” companies, consistent with section 705(c)(4)(B) of the Act, we will order CBP to suspend liquidation and require a cash deposit effective September 24, 2013, which is 90 days prior to the publication of the *Preliminary Determination*. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

#### ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

#### Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the 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 terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: July 10, 2014.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Enforcement and Compliance.*

## Appendix I

### Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (“OCTG”), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (“API”) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: Casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors.

The merchandise subject to the investigation is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers:

7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

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

### Issues and Decision Memorandum

#### I. Summary

#### II. Background

<sup>5</sup> See Memoranda to the File, “Final Determination Calculation Memorandum for GVN/MSL/JPL,” and “Final Determination Calculation Memorandum for Jindal SAW,” (Final Calculation Memoranda).

<sup>6</sup> The Department made a negative critical circumstances determination with respect to GVN/MSL/JPL.

- III. Critical Circumstances
- IV. Subsidies Valuation Information
  - A. Period of Investigation
  - B. Allocation Period
  - C. Cross-Ownership and Attribution of Subsidies
  - D. Denominators
  - E. Benchmarks and Discount Rates
- V. Use of Facts Otherwise Available and Adverse Inferences
- VI. Analysis of Programs
  - A. Programs Determined To Be Countervailable
  - B. Programs Determined To Be Not Used or Not To Confer a Benefit During the POI
  - C. Programs Determined Not To Exist
  - D. Programs Determined To Be Terminated
  - E. Programs Determined To Be Not Countervailable
- VII. Analysis of Comments
  - Comment 1: Whether Adverse Inferences Are Warranted When Determining the POI Value of Jindal SAW's Company-Wide Sales and Company-Wide Export Sales
  - Comment 2: Whether the Appropriate Financial Statements Were Used in Calculating Jindal SAW's Sales Value and Denominator
  - Comment 3: Whether MSL's Reported Sales Values Should Be Adjusted
  - Comment 4: Whether Certain Sales Should Be Excluded From the Value of GVN's Export Sales
  - Comment 5: Whether the Denominator Used To Calculate Jindal SAW's *Ad Valorem* Subsidy Rate for the Duty Drawback Scheme Should Be Revised
  - Comment 6: Whether Deemed Exports Should Be Included in the Denominator When Calculating the Subsidy Rates for Duty Drawback or Other Programs
  - Comment 7: Whether the Advance Authorization Scheme Is an Countervailable Subsidy
  - Comment 8: Whether Jindal SAW's Reported Benefits Under the Advance Authorization Program (AAP) are Countervailable
  - Comment 9: Whether AFA Is Warranted When Countervailing Jindal SAW's Use of the Advance Authorization Program (AAP)
  - Comment 10: Whether Jindal SAW's Pre- and Post-Shipment Financing Is Countervailable Because It Is Based on Commercial Loans
  - Comment 11: Whether Jindal SAW's EPCG Benefits Received by Divisions Producing Non-OCTG Products Are Countervailable
  - Comment 12: Whether Benefits Received by Jindal SAW Under the Focus Product Scheme Should Be Countervailed
  - Comment 13: Whether Benefits Received by Jindal SAW Under the Export Oriented Unit (EOU) Scheme Should Be Countervailed
  - Comment 14: Whether Provisional Measures Should Be Applied to Jindal SAW's Imports of Subject Merchandise
  - Comment 15: Whether the SGUP Entry Tax Is a Countervailable Subsidy
  - Comment 16: Whether the SGOM PSI-2007 or PSI-1988 Are Countervailable Subsidies
  - Comment 17: Whether the Provision of Hot-

Rolled Steel by the Steel Authority (SAIL) of India Is a Countervailable Subsidy

Comment 18: Whether To Adjust Benchmark and Freight in the Subsidy Rate Calculation for Hot-Rolled Coil From SAIL at Less Than Adequate Remuneration

Comment 19: Whether the Benefit Calculation for the SGOM Sales Tax Deferral Program Is Incorrect

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-823-815]

#### **Certain Oil Country Tubular Goods From Ukraine: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances**

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

**SUMMARY:** The Department of Commerce (the Department) determines that imports of oil country tubular goods (OCTG) from Ukraine are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The period of investigation is July 1, 2012, through June 30, 2013. The final weighted-average dumping margins are listed below in the section entitled "Final Determination Margins."

**DATES:** Effective Date: July 18, 2014.

**FOR FURTHER INFORMATION CONTACT:** David Lindgren, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-3870.

#### **SUPPLEMENTARY INFORMATION:**

#### **Background**

On February 25, 2014, the Department published in the **Federal Register** the preliminary determination of sales at LTFV in the antidumping duty investigation of OCTG from Ukraine.<sup>1</sup> The following events occurred since the *Preliminary Determination* was issued. We issued supplemental sales and cost

questionnaires to Interpipe,<sup>2</sup> and received responses to these supplemental questionnaires in March 2014. Also, in May 2014, Interpipe submitted revised sales databases pursuant to the Department's requests.

On March 27, 2014, the petitioners<sup>3</sup> requested that the Department hold a hearing in this investigation and, subsequently, on June 3, 2014, the petitioners withdrew their hearing request.<sup>4</sup> Between March 24, and April 15, 2014, the Department conducted sales and cost verifications of Interpipe, in accordance with section 782(i) of the Act. On May 28, and June 4, 2014, the petitioners and Interpipe submitted case and rebuttal briefs, respectively.

The Department issued a draft suspension agreement on June 10, 2014 and received comments from interested parties on June 17, 2014. On July 1 and 3, 2014, we received requests from petitioners and Interpipe, respectively, requesting that we continue the investigation, should we enter into a suspension agreement. Subsequently, on July 10, 2014, the Department signed a suspension agreement with Interpipe (the Agreement).

#### **Scope of the Investigation**

The merchandise covered by this investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (e.g., whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread

<sup>2</sup> The Department preliminarily determined that Interpipe Europe S.A.; Interpipe Ukraine LLC; PJSC Interpipe Nizhnedneprovsky Tube Rolling Plant (aka Interpipe NTRP); LLC Interpipe Niko Tube; North American Interpipe, Inc. (collectively, Interpipe) are affiliated and should be considered a single entity. For this final determination, we continue to find that these companies are affiliated. For a more detailed discussion on the Department's analysis regarding affiliation and treatment of Interpipe Europe S.A. and certain affiliated companies as a single entity, see *Preliminary Determination* and accompanying Preliminary Determination Memorandum at 5-8.

<sup>3</sup> Boomerang Tube, Energex Tube, a division of JMC Steel Group, Maverick Tube Corporation, Northwest Pipe Company, Tejas Tubular Products, TMK IPSCO, United States Steel Corporation, Vallourec Star, L.P., and Welded Tube USA Inc. (collectively, the petitioners).

<sup>4</sup> See U.S. Steel's March 27, 2014 Hearing Request; see also U.S. Steel's June 3, 2014 Request to Withdrawal the Hearing Request.

<sup>1</sup> See *Certain Oil Country Tubular Goods from Ukraine: Preliminary Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10482 (February 25, 2014) (*Preliminary Determination*).