

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-552-820)

Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

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

SUMMARY: The Department of Commerce (Department) preliminarily determines that circular welded carbon-quality steel pipe (CWP) from the Socialist Republic of Vietnam (Vietnam) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733(b) of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is April 1, 2015, through September 30, 2015. The estimated weighted-average dumping margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

EFFECTIVE DATE: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Nancy Decker or Andrew Huston, 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) 482-0196 or (202) 482-4261, respectively.

## SUPPLEMENTARY INFORMATION:

Background

The Department initiated this investigation on November 17, 2015.<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> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <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 CWP from Vietnam. Interested parties filed comments regarding the scope of the investigation, which resulted in one clarification to the scope language and are addressed, in detail, in the Department's Preliminary Scope Decision Memorandum.<sup>3</sup> For a full description of the scope of this investigation, see the "Scope of the Investigation," in Appendix II of this notice.

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<sup>1</sup> See Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman, Pakistan, the Philippines, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations, 80 FR 73708 (November 25, 2015) (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, entitled "Decision Memorandum for the Preliminary Determination in the Antidumping Duty Investigation of Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam" (Preliminary Decision Memorandum), dated concurrently with this notice.

<sup>3</sup> See Department Memorandum, "Antidumping Duty Investigations of Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman, Pakistan, the United Arab Emirates, and the Socialist Republic of Vietnam and Countervailing Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from Pakistan; Scope Comments

## Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. Constructed export prices have been calculated in accordance with section 772(b) of the Act. Because Vietnam is a non-market economy within the meaning of section 771(18) of the Act, we calculated normal value (NV) in accordance with section 773(c) of the Act. For a full description of the methodology underlying our preliminary conclusions, see the 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>4</sup>

## Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist:

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Decision Memorandum for the Preliminary Determination,” dated concurrently with and hereby adopted by this notice (Preliminary Scope Decision Memorandum).

<sup>4</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>.

Exporter	Producer	Weighted-Average Dumping Margin (Percent)
SeAH Steel VINA Corporation	SeAH Steel VINA Corporation	0.00
Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.	1.19*
Hoa Phat Steel Pipe Co.	Hoa Phat Steel Pipe Co.	0.38*
Vietnam-Wide Entity		113.18

\**de minimis*

#### 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 CWP from Vietnam, as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register except for those produced and exported by Hoa Phat Steel Pipe Co. (Hoa Phat), SeAH Steel VINA Corporation (SeAH), and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. (Hongyuan). Because the estimated weighted-average dumping margins for Hoa Phat, SeAH, and Hongyuan are zero or *de minimis*, we are not directing CBP to suspend liquidation of entries of the merchandise they produced and exported.

Pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit<sup>5</sup> equal to the weighted-average amount by which the NV

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<sup>5</sup> See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures

exceeds U.S. price as follows: (1) the cash-deposit rate for the exporter/producer combination listed in the table above will be the rate identified for that combination in the table; (2) for all combinations of Vietnam exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash-deposit rate established for the Vietnam-wide entity, 113.18 percent; and (3) for all non-Vietnam exporters of the merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash-deposit rate applicable to the Vietnam exporter/producer combination that supplied that non-Vietnam exporter. These suspension of liquidation instructions will remain in effect until further notice.

#### Disclosure

We will disclose the calculations performed to interested parties in this proceeding within five days of the announcement of this preliminary determination in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i) of the Act, we intend to verify the information relied upon prior to making our final determination.

#### Public Comment

Interested parties are invited to comment on this preliminary determination. Case briefs or other written comments concerning scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days from the publication of this notice, and rebuttal briefs, limited to scope issue raised in the case briefs, may be submitted no later than five days after the deadline date for scope case briefs. Scope-related briefs/comments must be

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Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

filed on the record of this investigation and the concurrent antidumping and countervailing duty CWP investigations.

Case briefs or other written comments on non-scope issues may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding, and rebuttal briefs, limited to non-scope issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>6</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.

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. 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 Time, 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, 14th Street and 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.

#### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the

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<sup>6</sup> See 19 CFR 351.309.

event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

Respondents Hongyuan and SeAH, both requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.<sup>7</sup>

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because (1) our preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; (3) the requesting exporters have requested extension of provisional measures to a period not more than six months; and (4) no compelling reasons for denial exist, we are postponing the final determination until no later than 135 days after the publication of this notice in the Federal Register and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will issue our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.<sup>8</sup>

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<sup>7</sup> See Letter from Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd, "Circular Welded Carbon-Quality Steel Pipe from Vietnam; Request for Extension of Time for the Final Determination," dated April 28, 2016 and letter from SeAH Steel VINA Corporation "Circular Welded Carbon-Quality Steel Pipe from Vietnam; Request for Extension of Deadline for the Department's Final Determination," dated May 2, 2016.

<sup>8</sup> See 19 CFR 351.210(b)(2) and (e).

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify 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).

  
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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

31 MAY 2016  
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Date



## Appendix I

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

1. Summary
2. Background
3. Period of Investigation
4. Postponement of Final Determination and Extension of Provisional Measures
5. Scope Comments
6. Discussion of the Methodology
  - a. Non-Market Economy Country
  - b. Surrogate Country and Surrogate Values Comments
  - c. Separate Rates
  - d. The Vietnam-wide Entity
  - e. Date of Sale
  - f. Comparisons to Fair Value
7. Currency Conversion
8. Disclosure and Public Comment
9. Verification
10. Conclusion

## Appendix II

### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (*e.g.*, black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (*e.g.*, American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term “carbon quality” includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
  - (i) 1.80 percent of manganese;
  - (ii) 2.25 percent of silicon;
  - (iii) 1.00 percent of copper;
  - (iv) 0.50 percent of aluminum;
  - (v) 1.25 percent of chromium;
  - (vi) 0.30 percent of cobalt;
  - (vii) 0.40 percent of lead;
  - (viii) 1.25 percent of nickel;
  - (ix) 0.30 percent of tungsten;
  - (x) 0.15 percent of molybdenum;
  - (xi) 0.10 percent of niobium;
  - (xii) 0.41 percent of titanium;
  - (xiii) 0.15 percent of vanadium; or
  - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (*e.g.*, polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gage
1.315	0.035	20
1.315	0.047	18
1.315	0.055	17
1.315	0.065	16
1.315	0.072	15
1.315	0.083	14
1.315	0.095	13
1.660	0.055	17
1.660	0.065	16
1.660	0.083	14
1.660	0.095	13
1.660	0.109	12
1.900	0.047	18
1.900	0.055	17
1.900	0.065	16
1.900	0.072	15
1.900	0.095	13
1.900	0.109	12
2.375	0.047	18
2.375	0.055	17

2.375	0.065	16
2.375	0.072	15
2.375	0.095	13
2.375	0.109	12
2.375	0.120	11
2.875	0.109	12
2.875	0.165	8
3.500	0.109	12
3.500	0.165	8
4.000	0.148	9
4.000	0.165	8
4.500	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;
- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;
- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a “kit.” A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;
- (d) tube and pipe hollows for redrawing;
- (e) oil country tubular goods produced to API specifications;
- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and
- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010,

7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.