

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-570-944]

**Certain Oil Country Tubular Goods
From the People's Republic of China:
Amended Final Affirmative
Countervailing Duty Determination and
Countervailing Duty Order**

AGENCY: Import Administration,
International Trade Administration,
Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce ("the Department") and the International Trade Commission ("ITC"), the Department is issuing a countervailing duty order on certain oil country tubular goods ("OCTG") from the People's Republic of China ("PRC"). Also, as explained in this notice, the Department is amending its final determination to correct certain ministerial errors.

DATES: *Effective Date:* January 20, 2010.

FOR FURTHER INFORMATION CONTACT: David Neubacher or Shane Subler, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-5823 and (202) 482-0189, respectively.

Background

The Department published its final determination on December 7, 2009. *See Certain Oil Country Tubular Goods From the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Negative Critical Circumstances Determination*, 74 FR 64045 (December 7, 2009) ("*Final Determination*").

On January 13, 2010, the ITC notified the Department of its final determination pursuant to sections 705(b)(1)(A)(ii) and 705(d) of the Tariff Act of 1930, as amended ("the Act"), that an industry in the United States is threatened with material injury by reason of subsidized imports of subject merchandise from the PRC. *See Certain Oil Country Tubular Goods from China*, USITC Investigation No. 701-TA-463 (Final), USITC Publication 4124 (January 2010). Pursuant to section 706(a) of the Act, the Department is publishing a countervailing duty order on the subject merchandise.

Scope of the Order

The scope of this order consists of 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 order also covers OCTG coupling stock. Excluded from the scope of the order 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 this order 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 OCTG coupling stock covered by the order 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, and 7304.59.80.80.

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

Amendment to the Final Determination

On December 14, 2009, petitioners United States Steel Corporation ("U.S. Steel") and TMK IPSCO *et al.*¹ (collectively, "Petitioners")² filed timely allegations that the Department made three ministerial errors in its *Final Determination*. No interested party filed a rebuttal to Petitioners' allegations.

After analyzing the allegations, we have determined, in accordance with 19 CFR 351.224(e), that we made these three ministerial errors in the calculations.³ We have also corrected an additional ministerial error.

In summary, U.S. Steel alleged that the Department made errors in the calculation of the electricity subsidy rate for Wuxi Seamless Oil Pipe Co., Ltd. ("WSP") and applied incorrect benchmark interest and inflation rates to certain WSP loans in the policy lending program calculation. TMK IPSCO *et al.* alleged that the Department omitted the electricity subsidy rate from Jiangsu Changbao Steel Tube Co., Ltd.'s ("Changbao") overall subsidy rate. We agree with Petitioners that these errors constitute ministerial errors. Also, we identified a ministerial error in the benefit calculation for the policy lending program for Tianjin Pipe (Group) Co. ("TPCO"). We are correcting these errors with this notice. See Ministerial Error Allegations Memo at pages 2–3.

As a result of these corrections, WSP's countervailing duty rate changed from 14.61 percent to 14.95 percent, Changbao's rate changed from 11.98 percent to 12.46 percent, and TPCO's rate changed from 10.36 percent to 10.49 percent. The countervailing duty rate for Zhejiang Jianli Enterprise Co., Ltd. is unchanged. The countervailing duty rate for all others changed from 13.20 percent to 13.41 percent. In accordance with 19 CFR 351.224(e), we are amending the *Final Determination* to reflect these changes.

¹ TMK IPSCO, V&M Star L.P., Wheatland Tube Corp., Evraz Rocky Mountain Steel, and The United Steelworkers.

² Maverick Tube Corporation is also a petitioner in this investigation, but the company did not file any ministerial error allegations.

³ See generally Memorandum to Susan Kuhbach, Director, Office 1, AD/CVD Operations, from Nancy Decker, Program Manager, Office 1, "Countervailing Duty Investigation: Certain Oil Country Tubular Goods from the People's Republic of China: Ministerial Errors for Final Determination" (December 28, 2009) ("Ministerial Error Allegations Memo").

Countervailing Duty Order

In accordance with section 706(a)(1) of the Act, the Department will direct U.S. Customs and Border Protection ("CBP") to assess, upon further instruction by the Department, countervailing duties equal to the amount of the net countervailable subsidy for all relevant entries of OCTG from the PRC.

According to section 706(b)(2) of the Act, duties shall be assessed on subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination if that determination is based upon the threat of material injury. Section 706(b)(1) of the Act states, "If the Commission, in its final determination under section 705(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 703(d)(2), would have led to a finding of material injury, then entries of the merchandise subject to the countervailing duty order, the liquidation of which has been suspended under section 703(d)(2), shall be subject to the imposition of countervailing duties under section 701(a)." In addition, section 706(b)(2) of the Act requires CBP to refund any cash deposits or bonds of estimated countervailing duties posted since the Department's preliminary countervailing duty determination, if the ITC's final determination is threat-based. Because the ITC's final determination in this case is based on the threat of material injury and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since the Department's *Preliminary Determination*⁴ was published in the **Federal Register**, section 706(b)(2) of the Act is applicable.

Therefore, the Department will direct CBP to reinstitute suspension of liquidation,⁵ and to assess, upon further

⁴ See *Certain Oil Country Tubular Goods From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination*, 74 FR 47210 (September 15, 2009) ("*Preliminary Determination*").

⁵ The Department instructed CBP to discontinue the suspension of liquidation on January 13, 2010, in accordance with section 703(a) of the Act. Section 703(d) states that the suspension of liquidation pursuant to a preliminary determination may not remain in effect for more than four months. Entries of OCTG from the PRC made on or after January 13, 2010, and prior to the date of publication of the ITC's final determination in the **Federal Register** are not liable for the assessment of countervailing duties because of the Department's discontinuation, effective January 13, 2010, of the suspension of liquidation.

instruction from the Department, countervailing duties on all unliquidated entries of OCTG from the PRC entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's

notice of final determination of threat of material injury in the **Federal Register**.

Cash Deposit Requirements

Effective on the date of publication of the ITC's notice of final determination in the **Federal Register**, CBP will require, at the same time as importers

would normally deposit estimated duties, cash deposits for the subject merchandise equal to the net subsidy rates listed below. See section 706(a)(3) of the Act. The all-others rate applies to all producers and exporters of subject merchandise not specifically listed.

Exporter/manufacturer	Net subsidy rate (percent)
Jiangsu Changbao Steel Tube Co. and Jiangsu Changbao Precision Steel Tube Co., Ltd.	12.46
Tianjin Pipe (Group) Co., Tianjin Pipe Iron Manufacturing Co., Ltd., Tianguan Yuantong Pipe Product Co., Ltd., Tianjin Pipe International Economic and Trading Co., Ltd., and TPCO Charging Development Co., Ltd.	10.49
Wuxi Seamless Pipe Co, Ltd., Jiangsu Fanli Steel Pipe Co, Ltd., Tuoketuo County Mengfeng Special Steel Co., Ltd.	14.95
Zhejiang Jianli Enterprise Co., Ltd., Zhejiang Jianli Steel Steel Tube Co., Ltd., Zhuji Jiansheng Machinery Co., Ltd., and Zhejiang Jianli Industry Group Co., Ltd.	15.78
All Others	13.41

Termination of the Suspension of Liquidation

The Department will also instruct CBP to terminate the suspension of liquidation for entries of OCTG from the PRC entered, or withdrawn from warehouse, for consumption prior to the publication of the ITC's notice of final determination. The Department will also instruct CBP to refund any cash deposits made and release any bonds posted between September 15, 2009 (*i.e.*, the date of publication of the Department's *Preliminary Determination*) and the date of publication of the ITC's final determination in the **Federal Register**.

This notice constitutes the countervailing duty order with respect to OCTG from the PRC, pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room 1117 of the main Commerce Building, for copies of an updated list of countervailing duty orders currently in effect.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: January 15, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

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