

DEPARTMENT OF COMMERCE**International Trade Administration**

[C-570-957]

Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe 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 seamless carbon and alloy steel standard, line, and pressure pipe ("seamless pipe") 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:* November 10, 2010.

FOR FURTHER INFORMATION CONTACT: Shane Subler, Joseph Shuler, and Matthew Jordan, 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) 482-0189, (202) 482-1293, and (202) 482-1540, respectively.

Background

On September 21, 2010, the Department published its final determination that countervailable subsidies are being provided to producers and exporters of seamless pipe from the PRC. *See Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination, Final Affirmative Critical Circumstances Determination*, 75 FR 57444 (September 21, 2010) ("*Final Determination*").

On November 4, 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. The ITC also determined that critical circumstances do not exist. *See Certain Seamless Carbon and Alloy Steel Standard, Line,*

and Pressure Pipe from China, USITC Investigation Nos. 701-TA-469 and 731-TA-1168, USITC Publication 4190 (November 2010).

Scope of the Order

The scope of this order consists of certain seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or "hollow profiles" suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials ("ASTM") or American Petroleum Institute ("API") specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A-53, ASTM A-106, ASTM A-333, ASTM A-334, ASTM A-589, ASTM A-795, ASTM A-1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusion discussed below.

Specifically excluded from the scope of the order are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications; (2) all pipes meeting the chemical requirements of ASTM A-335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the order are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, *i.e.*, outside diameter and wall thickness of ASTM A-53, ASTM A-106 or API 5L specifications.

The merchandise covered by the order is currently classified in the Harmonized Tariff Schedule of the United States ("HTSUS") under item numbers: 7304.19.1020, 7304.19.1030, 7304.19.1045, 7304.19.1060, 7304.19.5020, 7304.19.5050, 7304.31.6050, 7304.39.0016, 7304.39.0020, 7304.39.0024, 7304.39.0028, 7304.39.0032, 7304.39.0036, 7304.39.0040, 7304.39.0044, 7304.39.0048, 7304.39.0052, 7304.39.0056, 7304.39.0062, 7304.39.0068, 7304.39.0072, 7304.51.5005, 7304.51.5060, 7304.59.6000,

7304.59.8010, 7304.59.8015, 7304.59.8020, 7304.59.8025, 7304.59.8030, 7304.59.8035, 7304.59.8040, 7304.59.8045, 7304.59.8050, 7304.59.8055, 7304.59.8060, 7304.59.8065, and 7304.59.8070.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the merchandise subject to this scope is dispositive.

Amendment to the Final Determination

On September 27, 2010, a petitioner in this case, United States Steel Corporation ("U.S. Steel"), filed timely allegations that the Department made two ministerial errors in its *Final Determination*. In summary, U.S. Steel alleged that the Department made errors in the summary rate table for respondent Hengyang¹ and made errors in the calculation of the electricity subsidy rate for Hengyang. No interested party filed a rebuttal to U.S. Steel's allegations.

After analyzing the allegations, we have determined, in accordance with 19 CFR 351.224(e), that we made the two alleged ministerial errors in our calculations. *See generally* Memorandum to Susan Kuhbach, Director, Office 1, AD/CVD Operations, from Matthew Jordan, International Trade Compliance Analyst, AD/CVD Operations, Office 1, "Countervailing Duty Investigation: Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe ("Seamless Pipe") from the People's Republic of China ("PRC"): Ministerial Errors for Final Determination" (October 14, 2010).

Our corrected calculation to the "Provision of Electricity for Less Than Adequate Remuneration Program" found an *ad valorem* subsidy rate of 5.46 percent for Hengyang. The previously calculated rate had been 4.22 percent *ad valorem*. As a result of the corrections, Hengyang's total countervailing duty rate changed from 53.65 percent to 56.67 percent. The countervailing duty rate for the other respondent in the seamless pipe investigation, TPCO,² did not change. As a result of the correction to Hengyang's rate, the countervailing duty rate for all others changed from 33.66 percent to 35.17 percent. In accordance with 19 CFR 351.224(e), we are

¹ For the complete list of companies that "Hengyang" comprises, please see the "Suspension of Liquidation" section, below.

² For the complete list of companies that "TPCO" comprises, please see the "Suspension of Liquidation" section, below.

amending the *Final Determination* to reflect these changes.

Countervailing Duty Order

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, "{i}f 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 U.S. Customs and Border Protection ("CBP") to refund any cash deposits or bonds of estimated countervailing duties posted before the date of publication of the ITC's final affirmative determination, if the ITC's final determination is based on threat other than the threat described in section 706(b)(1) of the Act. 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*³ was published in the **Federal Register**, section 706(b)(2) of the Act is applicable.

As a result of the ITC's determination and in accordance with section 706(a)(1) of the Act, the Department will direct 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 seamless pipe from the PRC. In accordance with section 706 of the Act, the Department will direct CBP to reinstitute suspension of liquidation,⁴

³ *See Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination*, 75 FR 9163 (March 1, 2010) ("*Preliminary Determination*").

⁴ The Department instructed CBP to discontinue the suspension of liquidation on June 29, 2010, in accordance with section 703(d) 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

effective on the date of publication of the ITC's notice of final determination in the **Federal Register**, and to require a cash deposit for each entry of subject merchandise in an amount equal to the net countervailable 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
Tianjin Pipe (Group) Corp., 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.	13.66
Hengyang Steel Tube Group Int'l Trading, Inc., Hengyang Valin Steel Tube Co., Ltd., Hengyang Valin MPM Tube Co., Ltd., Xigang Seamless Steel Tube Co., Ltd., Wuxi Seamless Special Pipe Co., Ltd., Wuxi Resources Steel Making Co., Ltd., Jiangsu Xigang Group Co., Ltd., Hunan Valin Xiangtan Iron & Steel Co., Ltd., Wuxi Sifang Steel Tube Co., Ltd., Hunan Valin Steel Co., Ltd., Hunan Valin Iron & Steel Group Co., Ltd.	56.67
All Others	35.17

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 with respect to entries of seamless pipe entered, or withdrawn from warehouse, for consumption on or after December 1, 2009 (*i.e.*, 90 days prior to the date of publication of the *Preliminary Determination*), but before the date of publication of the ITC's final determination in the **Federal Register**.

This notice constitutes the countervailing duty order with respect to seamless pipe from the PRC, pursuant to section 706(a) of the Act. Interested parties may contact the Department's Central Records Unit, Room 7046 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, 19 CFR 351.224(e) and 19 CFR 351.211(b).

Dated: November 5, 2010

Edward C. Yang,

Acting Deputy Assistant Secretary for Import Administration.

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Termination of the Suspension of Liquidation

As a result of our affirmative critical circumstances finding on Hengyang and all companies other than TPCO, CBP suspended liquidation and collected cash deposits or bonds on all entries by these companies made 90 days prior to our affirmative *Preliminary Determination*. Entries for TPCO were suspended and cash deposits or bonds were collected as of March 1, 2010 (*i.e.*, the date of publication of our *Preliminary Determination*).

The Department will instruct CBP to terminate the suspension of liquidation for entries of seamless pipe from the PRC, entered or withdrawn from warehouse, for consumption prior to the

of seamless pipe from the PRC made on or after June 29, 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 June 29, 2010, of the suspension of liquidation.