

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-897]

Large Diameter Welded Pipe From the Republic of Korea: Final Determination of Sales at Less Than Fair Value

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

SUMMARY: The Department of Commerce (Commerce) determines that large diameter welded pipe (welded pipe) from the Republic of Korea (Korea) is being, or is likely to be, sold in the United States at less than fair value (LTFV) for the period of investigation (POI) January 1, 2017, through December 31, 2017.

DATES: Applicable February 27, 2019.

FOR FURTHER INFORMATION CONTACT: Sergio Balbontin, or Jesus Saenz, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-6478 or (202) 482-8184.

SUPPLEMENTARY INFORMATION:

Background

On August 27, 2018, Commerce published in the **Federal Register** the *Preliminary Determination of Sales at LTFV of welded pipe from Korea*, in which we also postponed the final determination until January 9, 2019.¹ We invited interested parties to comment on the *Preliminary Determination*. A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is adopted by this notice.²

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29,

¹ See *Large Diameter Welded Pipe from the Republic of Korea: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 83 FR 43651 (August 27, 2018) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

² See Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Large Diameter Welded Pipe from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

2019.³ If the new deadline falls on a non-business day, in accordance with Commerce’s practice, the deadline will become the next business day. The revised deadline for the final determination is now February 19, 2019.

Scope of the Investigation

The product covered by this investigation is welded pipe from Korea. For a full description of the scope of this investigation, see the “Scope of the Investigation” in Appendix I of this notice.

Scope Comments

During the course of this investigation and the concurrent LTFV investigations of welded pipe from Canada, Greece, India, the People’s Republic of China and the Republic of Turkey (Turkey), and the concurrent countervailing duty investigations of welded pipe from China, India, Korea and Turkey, Commerce received scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum⁴ to address these comments. In the *Preliminary Determination*, Commerce set aside a period of time for parties to address scope issues in scope case and rebuttal briefs. No interested parties submitted scope comments in scope case or scope rebuttal briefs. Therefore, for this final determination, the scope of this investigation remains unchanged from that published in the *Preliminary Determination*.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs submitted by parties in this investigation are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as Appendix II. 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 (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and it is available to all parties in the Central Records Unit, Room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and

³ See Memorandum “Deadlines Affected by the Partial Shutdown of the Federal Government,” dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Memorandum, “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated June 19, 2018 (Preliminary Scope Decision Memorandum).

Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended, (the Act), from September to October 2018, we conducted verification of the sales and cost information submitted by Hyundai RB Co., Ltd. (Hyundai RB) and SeAH Steel Corporation (SeAH) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Hyundai RB and SeAH.⁵

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Hyundai RB and SeAH. For a discussion of these changes, see the “Margin Calculations” section of the Issues and Decision Memorandum.

Use of Adverse Facts Available

The respondent Samkang M&T Co., Ltd (SKMT) failed to cooperate in this investigation. Therefore, in the *Preliminary Determination*, pursuant to sections 776(a)(1), 776(a)(2)(A)–(C), and 776(b) of the Act, Commerce assigned SKMT a rate based on adverse facts available (AFA). No party filed comments on our *Preliminary Determination* with respect to SKMT and there is no new information on the record that would cause us to revisit our determination to apply AFA to SKMT.

⁵ For a discussion of our verification findings, see the following memoranda: “Verification of the Cost Response of Hyundai RB Co., Ltd. in the Antidumping Duty Investigation of Large Diameter Welded Pipe from Korea,” dated October 17, 2018; “Verification of the Cost of Production and Constructed Value response of SeAH Steel Corporation and its Affiliates in the Antidumping Duty Investigation of Large Diameter Welded Pipe from Korea,” dated November 1, 2018; “Verification of the Questionnaire Responses of Hyundai RB Co., Ltd. in the Antidumping Investigation of Large Diameter Welded Pipe from the Republic of Korea,” dated November 5, 2018; “Verification of the Sales Response of SeAH Steel Corporation in the Antidumping Investigation of Large Diameter Welded Pipe from Korea,” dated November 5, 2018; and “Verification of the CEP Sales Questionnaire Responses of SeAH Steel Corporation in the Antidumping Investigation of Large Diameter Welded Pipe from Korea,” dated November 6, 2018; “Verification of the Further Manufacturing Response of SeAH Steel Corporation’s Affiliates Pusan Pipe of America and State Pipe in Antidumping Duty Investigation of Large Diameter Welded Pipe from Korea,” dated November 1, 2018.

Accordingly, we continue to find that the application of AFA pursuant to section 776(a) and (b) of the Act is warranted with respect to SKMT. However, in applying total AFA for the final determination, Commerce has now assigned to SKMT's exports of the subject merchandise the rate of 20.39 percent, which is the highest rate calculated in the petition⁶ and which has been corroborated to the extent practicable within the meaning of section 776(c) of the Act.⁷

All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated weighted-average dumping margin for all-other producers and exporters not individually investigated shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act. Hyundai RB and SeAH are the only respondents for which

Commerce calculated an estimated weighted-average dumping margin that is not zero, *de minimis*, or based entirely on facts otherwise available. Commerce calculated the all-others' rate using a weighted average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged values for the merchandise under consideration.⁸

Final Determination

The final estimated weighted-average dumping margins are as follows:

| Exporter or producer | Weighted-average dumping margin (percent) | Cash deposit rate (adjusted for subsidy offset(s)) (percent) |
|------------------------------|---|--|
| Hyundai RB Co., Ltd | 14.97 | 12.86 |
| SeAH Steel Corporation | 7.03 | 4.92 |
| Samkang M&T Co., Ltd | 20.39 | 18.28 |
| All Others | 9.30 | 7.19 |

Disclosure

We intend to disclose the calculations performed in this final determination within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, for this final determination, we will direct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of welded pipe, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after August 27, 2018, the date of publication in the **Federal Register** of the affirmative *Preliminary Determination*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), we will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average

dumping margin as follows: (1) The cash deposit rate for the respondents listed above will be equal to the respondent-specific estimated weighted-average dumping margin determined in this final determination; (2) if the exporter is not a respondent identified above but the producer is, then the cash deposit rate will be equal to the respondent-specific estimated weighted-average dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin. These suspension-of-liquidation instructions will remain in effect until further notice.

Further, we will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above, adjusted where appropriate, for export subsidies found in the final determination of the companion countervailing duty investigation.⁹

Consistent with our longstanding practice, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the U.S. price, less the amount of the countervailing duty determined to constitute any export subsidies.¹⁰

Therefore, in the event that a countervailing duty order is issued and suspension of liquidation is resumed in the companion countervailing duty investigation on welded pipe from Korea, Commerce will instruct CBP to require cash deposits adjusted by the amount of export subsidies, as appropriate. These adjustments are reflected in the final column of the rate chart, above. Until such suspension of liquidation is resumed in the companion countervailing duty investigation, and so long as suspension of liquidation continues under this antidumping duty investigation, the cash deposit rates for this antidumping

⁶ See Petitioners' Letter "Large Diameter Welded Pipe from Canada, Greece, India, the People's Republic of China, the Republic of Korea and the Republic of Turkey: Response to the Department's January 30, 2018 Additional Questions Regarding Volume VI of the Petition for the Imposition of Antidumping and Countervailing Duties," dated February 1, 2018 at Exhibit AD-KR-Supp2-3.

⁷ For further discussion see Issues and Decision Memorandum and Corroboration Memo.

⁸ With two respondents under examination, Commerce normally calculates (A) a weighted average of the estimated weighted-average dumping margins calculated for the examined respondents; (B) a simple average of the estimated weighted-

average dumping margins calculated for the examined respondents; and (C) a weighted average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged U.S. sale values for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See *Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010); see also Memorandum, "Calculation of the All-Others Rate for the Final

Determination," dated concurrently with this notice.

⁹ 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).

¹⁰ See, e.g., *Welded Line Pipe from the Republic of Turkey: Final Determination of Sales at Less Than Fair Value*, 80 FR 61362 (October 13, 2015), and *Notice of Final Determination of Sales at Less Than Fair Value and Negative Critical Circumstances Determination: Bottom Mount Combination Refrigerator-Freezers from the Republic of Korea*, 77 FR 17413 (March 26, 2012).

duty investigation will be the rates identified in the estimated weighted-average dumping margin column in the rate chart, above.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. 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. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of welded pipe from Korea no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the "Continuation of Suspension of Liquidation" section.

Notification Regarding Administrative Protective Orders

This notice serves as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published pursuant to

sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: February 19, 2019.

Gary Taverman,

Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is welded carbon and alloy steel pipe (including stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope large diameter welded pipe.

Excluded from the scope are any products covered by the existing antidumping duty order on welded line pipe from the Republic of Korea. *See Welded Line Pipe from the Republic of Korea and the Republic of Turkey: Antidumping Duty Orders*, 80 FR 75056 (December 1, 2015). Also excluded from the scope are any products covered by the existing antidumping order on welded ASTM A-312 stainless steel pipe from Korea. *See Welded ASTM A-312 Stainless Steel Pipe from South Korea: Antidumping Duty Order*, 57 FR 62300 (December 30, 1992).

The large diameter welded pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060,

7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

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- V. Application of Adverse Facts Available
- VI. Adjustment for Countervailed Export Subsidies
- VII. Discussion of the Issues
 - General Issues*
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 2. Petitioners' Proposed Regression Analysis
 3. Whether Subsidy Rates used to Adjust the PMS are Accurate
 4. PMS Adjustment for Stainless Steel Plate
 5. Differential Pricing
 6. Direct Material/Conversion Costs *Hyundai RB*
 7. Hyundai RB's G&A Expense Ratio
 8. Hyundai RB and Hyundai Steel Affiliation
 9. Hyundai RB's Indirect Selling Expense Ratio
 10. Hyundai RB's Foreign Exchange Losses
 11. Treatment of Company A's Bad Debt Expenses
 12. Hyundai RB's Scrap Offset *SeAH*
 13. SeAH's Indirect Selling Expenses for Non-Further Manufactured Sales
 14. SeAH's Sale to Puerto Rico
 15. Treatment of Refunds from Customs and Border Protection and Refund for Damaged Goods
 16. SeAH Holdings Corporation's Unrecovered Costs
 17. SeAH's Interest Income Offset
 18. Correction of Ministerial Errors in the *Preliminary Determination*
 19. Correction of Minor Errors Reported at Verification
 20. Freight Revenue Cap
- VIII. Recommendation

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DEPARTMENT OF COMMERCE

International Trade Administration

[Application No. 18-00002]

Export Trade Certificate of Review

ACTION: Notice of issuance of an Export Trade Certificate of Review to Alaska Groundfish Commission ("AGC"), Application Number 18-00002.

SUMMARY: The Secretary of Commerce, through the Office of Trade and Economic Analysis ("OTEA"), issued an