

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-840]

Notice of Final Determination of Sales at Less Than Fair Value: Galvanized Steel Wire From Mexico

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

DATES: *Effective Date:* March 26, 2012.

SUMMARY: On November 4, 2011, the Department of Commerce (the Department) published its preliminary determination in the investigation of sales at less than fair value of galvanized steel wire (galvanized wire) from Mexico.¹

The Department has determined that galvanized wire from Mexico is being, or is likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final margins of sales at less than fair value are listed below in the section entitled "Final Determination of Investigation."

FOR FURTHER INFORMATION CONTACT: Patrick Edwards or Ericka Ukrow, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-8029 or (202) 482-0405, respectively.

SUPPLEMENTARY INFORMATION:

Background

The preliminary determination in this investigation was published on November 4, 2011. *See Preliminary Determination.* We invited parties to comment on the *Preliminary Determination.* On November 8, 2011, we received timely-filed allegations from Deacero S.A. de C.V. (Deacero) that the Department made several ministerial errors in calculating its dumping margin for the preliminary determination.²

On November 10 and 23, 2011, the Department issued Deacero supplemental questionnaires.

On December 5, 2011, the Department released its memorandum addressing Deacero's ministerial error allegations, finding that no amendment to the preliminary determination was

¹ *See Galvanized Steel Wire from Mexico: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 76 FR 68422 (November 4, 2011) (*Preliminary Determination*).

² *See* Letter from Deacero, regarding "Galvanized Steel Wire from Mexico," dated November 8, 2011. Petitioners did not comment on Deacero's ministerial error allegations.

warranted. *See* Ministerial Error Memorandum.³

On December 5, 2011, Deacero submitted its response to the November 23, 2011, questionnaire.⁴ Also on December 5, 2011, Petitioners⁵ and respondent Aceros Camesa S.A. de C.V. (Camesa) timely filed a request for a public hearing.⁶

We conducted cost and sales verifications of the responses submitted by Deacero and Camesa (collectively, respondents).⁷ All verification reports

³ *See* Memorandum to Richard O. Weible, Director, Office 7, from Patrick Edwards and Ericka Ukrow, Case Analysts, through Angelica Mendoza, Program Manager, Office 7, entitled "Ministerial Error Allegation in the Preliminary Determination of the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico: Deacero S.A. de C.V.," dated December 5, 2011 (Ministerial Error Memorandum).

⁴ *See* Deacero's Fourth Supplemental Questionnaire Response, dated December 8, 2011.

⁵ The Petitioners in this investigation are Davis Wire Corporation, Johnston Wire Technologies, Inc., Mid-South Wire Company, Inc., National Standard, LLC, and Oklahoma Steel & Wire Company, Inc. (collectively, Petitioners).

⁶ Deacero, also on December 5, 2011, requested to participate in a hearing in the event that another party requested a hearing.

⁷ *See* Memorandum to the File from Christopher J. Zimpo and Frederick W. Mines, Case Accountants, through Theresa C. Deeley, Lead Accountant, and Neal M. Halper, Director, Office of Accounting, entitled "Verification of the Cost of Production and Constructed Value Data Submitted by Deacero S.A. de C.V. in the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated January 13, 2012 (Deacero Cost Verification Report); Memorandum to the File from Frederick W. Mines and Christopher J. Zimpo, Case Accountants, through Theresa C. Deeley, Lead Accountant, and Neal M. Halper, Director, Office of Accounting, entitled "Verification of the Cost Response of Aceros Camesa S.A. de C.V. in the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated January 13, 2012 (Camesa Cost Verification Report); Memorandum to the File from Christopher J. Zimpo and Frederick W. Mines, Case Accountants, through Theresa C. Deeley, Lead Accountant, and Neal M. Halper, Director, Office of Accounting, entitled "Verification of the Further Manufacturing Data Submitted by Deacero S.A. de C.V. for Deacero USA Inc. and Stay-Tuff Fence Manufacturing, Inc. in the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated January 27, 2012 (Deacero Further-Manufacturing Verification Report); Memorandum to the File from Patrick Edwards, Case Analyst, through Angelica Mendoza, Program Manager, Office 7, entitled "Verification of the Sales Responses of Aceros Camesa, S.A. de C.V. in the Antidumping Duty Investigation on Galvanized Steel Wire from Mexico," dated February 13, 2012 (Camesa Verification Report); Memorandum to the File from Ericka Ukrow and Patrick Edwards, Case Analysts, through Angelica L. Mendoza, Program Manager, Office 7, entitled "Verification of the Sales Response of Deacero USA Inc. (Deacero USA) and Stay-Tuff Fence Manufacturing, Inc. (Stay-Tuff) in the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated February 15, 2012 (Deacero CEP Verification Report); Memorandum to the File from Patrick Edwards and Ericka Ukrow, Case Analysts, through Angelica Mendoza, Program Manager, Office 7, entitled "Verification of the Sales Responses of Deacero S.A. de C.V. in the

are on file and available electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). Access to IA ACCESS is available in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building.

Based on the Department's findings at verification, as well as the minor corrections presented by Deacero and Camesa at the start of their respective verifications, we requested respondents to submit revised sales databases.⁸ On February 27, 2012, as requested, Deacero and Camesa submitted their revised sales databases.

Subsequent to the release of the verification reports in this investigation, parties timely filed case and rebuttal briefs. We received a case brief from Petitioners, Deacero, and Camesa on February 23, 2012; Petitioners and Deacero filed rebuttal briefs on February 28, 2012. No public hearing was held because all requests for a hearing were withdrawn.

On March 2, 2012, at the Department's request, respondents in the companion galvanized wire investigations involving the People's Republic of China (both antidumping and countervailing duty) filed on the record of this investigation certain scope comments that were raised in those proceedings' case and rebuttal briefs. We allowed a period of time for parties in the instant proceeding to comment on those submissions, and we received no comments.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this antidumping investigation are addressed in the "Issues and Decision Memorandum for the Final Determination of the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico" (Decision Memorandum) from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import

Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated February 16, 2012 (Deacero Verification Report); and Memorandum to the File from Ericka Ukrow and Patrick Edwards, Case Analysts, through Angelica L. Mendoza, Program Manager, entitled "Verification of Sales Response of Aceros Camesa S.A. de C.V. (Camesa) and WireCo World Group, Inc. (WireCo) in the Antidumping Duty Investigation of Galvanized Steel Wire from Mexico," dated February 16, 2012 (Camesa CEP Verification Report).

⁸ See Letters from Angelica L. Mendoza, Program Manager, Office 7, to Deacero S.A. de C.V., dated February 21, 2012, and February 22, 2012; Letter from Angelica L. Mendoza, Program Manager, Office 7, to Aceros Camesa S.A. de C.V., dated February 21, 2012.

Administration, dated March 19, 2012, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the Decision Memorandum which is on file and available electronically via IA ACCESS, which is accessible in the CRU, room 7046 of the main Department of Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Scope of Investigation

The scope of this investigation covers galvanized steel wire which is a cold-drawn carbon quality steel product in coils, of circular or approximately circular, solid cross section with any actual diameter of 0.5842 mm (0.0230 inch) or more, plated or coated with zinc (whether by hot-dipping or electroplating).

Steel products to be included in the scope of this investigation, regardless of Harmonized Tariff Schedule of the United States (HTSUS) definitions, are products in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is two percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.02 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Specifically excluded from the scope of this investigation is galvanized steel wire in coils of 15 feet or less which is pre-packed in individual retail packages. The products subject to this investigation are currently classified in subheadings 7217.20.30, 7217.20.45, and 7217.90.10 of the HTSUS which cover galvanized wire of all diameters and all carbon content. Galvanized wire is reported under statistical reporting

numbers 7217.20.3000, 7217.20.4510, 7217.20.4520, 7217.20.4530, 7217.20.4540, 7217.20.4550, 7217.20.4560, 7217.20.4570, 7217.20.4580, and 7217.90.1000. These products may also enter under HTSUS subheadings 7229.20.0015, 7229.20.0090, 7229.90.5008, 7229.90.5016, 7229.90.5031, and 7229.90.5051. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise is dispositive.

Scope Comments

In their case and rebuttal briefs, Petitioners, respondents, and other interested parties provided comments on the scope and merchandise that is to be covered under the scope. We have discussed these comments fully in the Decision Memorandum. See Decision Memorandum at Comments 3 and 4. As a result of considering these comments, we have clarified the scope language to include not only circular cross section material, but also out-of-round material that meets the circular tolerances. *Id.* at Comment 3. We have also included an additional HTSUS subheading as part of the scope description. *Id.* at Comment 4. In addition, and as referenced in the "Background" section above, certain parties in the companion galvanized wire antidumping duty investigation involving the People's Republic of China provided scope comments. These comments have been addressed in the *Notice of Final Determination of Sales at Less than Fair Value: Galvanized Steel Wire from the People's Republic of China*, signed concurrently with this notice, and the accompanying Issues and Decision Memorandum at Comment 3.

In addition, in the *Preliminary Determination*, we responded to scope comments provided by Tree Island Wire (USA), Inc. and Preferred Wire Products, Inc., and we preliminarily determined that galvanized wire with a diameter less than one millimeter is subject to the scope of the investigation. No additional comments were made on this issue in the case or rebuttal briefs. For the final, we have made no changes on this determination from the *Preliminary Determination* and continue to find, specifically, that galvanized wire with a diameter less than one millimeter but equal to or greater than 0.5842 millimeters is covered by the scope. See *Preliminary Determination*, 76 FR at 68425.

Period of Investigation

The period of investigation (POI) is January 1, 2010, to December 31, 2010.

This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the Petition. See 19 CFR 351.204(b)(1).

Verification

As provided in section 782(i) of the Act and noted above, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures, including examination of relevant accounting and production records, and original source documents provided by the respondents.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculation for both Deacero and Camesa. For a discussion of these changes, see Decision Memorandum at Comments 1, 2, 7, 8, 9, and 11.⁹ Additionally, subsequent to the *Preliminary Determination*, the Department revised its margin calculation program to ensure that it accurately reflected the methodological choices made in that determination. These revisions to the programming, had they been included in the preliminary determination, would not have altered the weighted average dumping margins calculated there. See Decision Memorandum at Comment 10; see also, Deacero Analysis Memo and Camesa Analysis Memo at Attachments I–VIII.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins and any margins determined entirely under section 776 of the Act. Deacero and Camesa are the only respondents

⁹ See also Memorandum from Ericka Ukrow to The File, entitled “Galvanized Steel Wire from Mexico—Final Determination of Sales at Less Than Fair Value Analysis Memorandum for Deacero S.A. de C.V.,” dated March 19, 2012 (Deacero Analysis Memo), and Memorandum from Patrick Edwards to The File, entitled “Galvanized Steel Wire from Mexico—Final Determination of Sales at Less Than Fair Value Analysis Memorandum for Aceros Camesa S.A. de C.V.,” dated March 19, 2012 (Camesa Analysis Memo); Memorandum from Christopher J. Zimpo to Neal M. Halper, entitled “Cost of Production, Constructed Value, and Further Manufacturing Cost Calculation Adjustments for the Final Determination: Deacero S.A. de C.V.,” dated March 19, 2012 (Deacero Cost Memo).

selected for individual examination in this investigation and, for each company, the Department has calculated a company-specific rate that is not zero or *de minimis*. Therefore, for purposes of determining the “all others” rate, and pursuant to section 735(c)(5)(A) of the Act, we are using the weighted average of the dumping margins calculated for Deacero and Camesa for the “all others” rate, as referenced in the “Continuation of Suspension of Liquidation” section below, *i.e.*, 22.43 percent, as indicated in the “Final Determination of Investigation” section below.¹⁰

Final Determination of Investigation

We determine that the following weighted-average dumping margins exist for the period January 1, 2010, through December 31, 2010:

Manufacturer or exporter	Weighted-Average margin (percent)
Deacero S.A. de C.V.	20.89
Aceros Camesa S.A. de C.V.	37.69
All-Others	22.43

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act and 19 CFR 351.211(b)(1), we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of subject merchandise from Mexico entered, or withdrawn from warehouse, for consumption on or after November 4, 2011, the date of the publication of the *Preliminary Determination*, for all producers/exporters. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average margin, as indicated in the chart above, as follows: (1) The rate for the respondents will be the rates we have determined in this final determination; (2) if the exporter is not a firm identified

¹⁰ When there are only two relevant weighted-average dumping margins available to determine the “all-others” rate, the Department may use a simple average so as to avoid disclosure of business proprietary information. See *Seamless Refined Copper Pipe and Tube From Mexico: Final Determination of Sales at Less Than Fair Value*, 75 FR 60723, 60724 (October 1, 2010). However, in this final determination, the Department has determined an “all-others” rate using Deacero’s and Camesa’s ranged, public U.S. sales quantities, which also avoids disclosure of business proprietary information. 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 (September 1, 2010), and accompanying Issues and Decision Memorandum at Comment 1.

in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 22.43 percent. These suspension-of-liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our final determination. As our final determination is affirmative and in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, 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 the subject merchandise. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess 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.

Notification Regarding APO

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/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.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: March 19, 2012.

Paul Piquado,

Assistant Secretary for Import Administration.

Appendix

Deacero S.A. de C.V. (Deacero)

Comment 1: Conversion of U.S. Packing Expenses from Mexican Pesos to U.S. Dollars

Comment 2: Correction of Ministerial Errors

Comment 3: Whether Oval Galvanized Steel Wire is Outside the Scope of the Investigation

Comment 4: Whether PVC-Coated Galvanized Steel Wire is Outside the Scope of the Investigation

Comment 5: Whether To Apply Adverse Facts Available to Deacero's Inland Freight Expenses for Certain Home Market Sales

Comment 6: Whether To Apply Adverse Facts Available to Deacero's U.S. Repacking Expenses

Comment 7: Deacero's Reporting of Costs for Further Manufacturing

Comment 8: Deacero's Reporting of Inland Freight Charges for Certain U.S. Sales

Comment 9: Deacero's Reporting of Cost of Production and Constructed Value

Aceros Camesa S.A. de C.V. (Camesa)

Comment 10: Whether the Department Used an Average-to-Average Comparison Methodology

Comment 11: Whether the U.S. Inventory Carrying Costs Were Calculated Properly

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¹ See *Galvanized Steel Wire From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 76 FR 68407 (November 4, 2011) ("Preliminary Determination").

² See *Galvanized Steel Wire From the People's Republic of China: Amended Preliminary Determination of Sales at Less Than Fair Value*, 76 FR 73589 (November 29, 2011) ("Amended Preliminary Determination").

³ See Letter to the Department from Baozhang; Re: Letter Electing Not To Participate in Verification, dated November 4, 2011.

⁴ See Letter to the Department from Honbase; Re: Galvanized Steel Wire from the People's Republic of China, dated November 9, 2011.

⁵ See "Memorandum to the File from Kabir Archuletta, re: Galvanized Steel Wire Sample Viewing," dated November 9, 2011.

⁶ Davis Wire Corporation, Johnstown Wire Technologies, Inc., Mid-South Wire Company, Inc., National Standard, LLC and Oklahoma Steel & Wire Company, Inc. (hereinafter collectively referred to as "Petitioners").

⁷ In this case, Huayuan refers to the collective group of affiliated companies comprised of Tianjin Huayuan Metal Wire Products Co., Ltd., Tianjin

Tianxin Metal Products, Co., Ltd., Tianjin Huayuan Times Metal Products Co., Ltd., and Tianjin Meijiahua Trade Co., Ltd.

⁸ See Letter to the Department from Huayuan; Re: Galvanized Steel Wire from the People's Republic of China: Withdrawal of Request for a Hearing, dated December 15, 2011.