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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-888]

Carbon and Alloy Steel Threaded Rod From India: Final Affirmative Countervailing Duty Determination

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

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of carbon and alloy steel threaded rod (steel threaded rod) from India during the period of investigation (POI) January 1, 2018 through December 31, 2018. The final estimated subsidy rates are shown in the “Final Determination” section of this notice.

DATES: Applicable February 18, 2020.

FOR FURTHER INFORMATION CONTACT: Genevieve Coen or Hannah Falvey, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-3251 or (202) 482-4889, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 29, 2019, Commerce published the *Preliminary Determination* of this investigation, in which we found that countervailable subsidies are being provided to producers and exporters of steel threaded rod from India.¹ On October 16, 2019, we issued a Post-Preliminary Analysis Memorandum.² We invited interested parties to comment on the *Preliminary Determination* and the Post-Preliminary Analysis Memorandum. We received no comments from interested parties.

Period of Investigation

The POI is January 1, 2018 through December 31, 2018.

¹ See *Carbon and Alloy Steel Threaded Rod from India: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 36570 (July 29, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, “Post-Preliminary Analysis Memorandum in the Countervailing Duty Investigation of Carbon and Alloy Steel Threaded Rod from India,” dated October 16, 2019 (Post-Preliminary Analysis Memorandum).

Scope of the Investigation

The product covered by this investigation is steel threaded rod from India. For a complete description of the scope of this investigation, see the appendix to this notice.

Scope Comments

On July 22, 2019, we issued a Preliminary Scope Memorandum.³ The scope case briefs were due on August 28, 2019.⁴ We received no scope case briefs from interested parties. Therefore, Commerce has made no changes to the scope of this investigation since the *Preliminary Determination*.

Verification

Commerce conducted verification of the questionnaire responses provided by Mangal Steel Enterprises Limited (Mangal) between October 21 and October 24, 2019.⁵ Because the second mandatory respondent in this investigation, Daksh Fasteners (Daksh), did not provide the information requested, Commerce did not conduct verification of Daksh.⁶

Analysis of Comments Received

As noted above, we received no comments in response to the *Preliminary Determination* or Post-Preliminary Analysis Memorandum. However, Commerce is revising its decision regarding the application of adverse facts available (AFA) to the Government of India (GOI) regarding the duty drawback (DDB) program.⁷ Consistent with other proceedings, which we referenced in the *Preliminary Determination*,⁸ for this final determination, we find that the GOI’s responses regarding the DDB program did not warrant the application of AFA, but instead, the GOI’s responses were insufficient to establish that the GOI has a system in place for this program that is reasonable or effective for the

³ See Memorandum, “Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People’s Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated July 22, 2019 (Preliminary Scope Memorandum).

⁴ The scope case briefs were due 30 days after the publication of the *Preliminary Determination*. See Preliminary Scope Memorandum at 3. The deadline for scope rebuttal briefs was Monday, September 2, 2019.

⁵ See Memorandum, “Verification of the Questionnaire Responses of Mangal Steel Enterprises Limited,” dated November 8, 2019.

⁶ See *Preliminary Determination* PDM at 6–7.

⁷ *Id.* at 7–8.

⁸ *Id.* at 20 (citing *Certain Frozen Warmwater Shrimp from India: Final Affirmative Countervailing Duty Determination*, 78 FR 50385 (August 19, 2013) (*Shrimp from India Final Determination*), and accompanying Issues and Decision Memorandum (IDM) at “Duty Drawback”).

purposes intended.⁹ Therefore, we find that this program is countervailable.¹⁰ Because we continue to find this program countervailable, our calculations regarding this program remain unchanged for this final determination.

Methodology

We continue to find, as stated in the *Preliminary Determination*, that mandatory respondent Daksh withheld requested information, failed to provide information by the specified deadlines, and significantly impeded the proceeding, pursuant to section 776(a) of the Tariff Act of 1930, as amended (the Act). Further, we continue to find that Daksh failed to cooperate to the best of its ability to comply with our requests for information, and, accordingly, we continue to apply an adverse inference when selecting from among the facts otherwise available to determine the relevant countervailable subsidy rate, in accordance with section 776(b) of the Act. We continue to find, using AFA, that Daksh used all the programs on which Commerce initiated, and continue to apply AFA rates for each program as discussed in the *Preliminary Determination* and the Post-Preliminary Analysis Memorandum.¹¹

All-Others Rate

We continue to assign the countervailable subsidy rate calculated for Mangal as the all-others rate applicable to all exporters and/or producers not individually examined.¹²

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Exporter/producer	Net subsidy rate (percent)
Daksh Fasteners	211.72
Mangal Steel Enterprises Limited	6.07
All Others	6.07

⁹ See *Shrimp from India Final Determination* IDM at 12 (“If such a system does not exist, or if it is not applied effectively, and the government in question does not carry out an examination of actual inputs involved to confirm which inputs are consumed in the production of the exported product, the entire amount of any exemption, deferral, remission or drawback is countervailable.”).

¹⁰ *Id.*

¹¹ *Id.* at 11–15; see also Post-Preliminary Analysis Memorandum at 2–3.

¹² See *Preliminary Determination*, 84 FR at 36571.

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, we instructed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of the *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for countervailing duty purposes for subject merchandise entered, or withdrawn from warehouse, on or after November 26, 2019, but to continue the suspension of liquidation of all entries from July 29 through November 25, 2019.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a countervailing duty order, reinstate the suspension of liquidation under section 706(a) of the Act, and require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with a final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final determination in the **Federal Register**, in accordance with 19 CFR 351.224(b). However, because there are no changes from the *Preliminary Determination*, there are no new calculations to disclose.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of the final affirmative determination of countervailable subsidies. 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 the final determination in this proceeding is affirmative, in accordance with section 705(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 of steel threaded rod from India no later than 45 days after this final determination. If the ITC determines that material injury, or threat of material injury, does not exist, the proceeding will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue a countervailing duty order directing CBP to assess, upon further instruction by Commerce, countervailing 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 serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the 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 is issued and published in accordance with sections 705(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: February 7, 2020.

Jeffrey I. Kessler,

Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigation

The merchandise covered by the scope of this investigation is carbon and alloy steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Steel threaded rod is normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the steel threaded rod, bar, or studs subject to this investigation are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc

coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Steel threaded rod is normally produced to American Society for Testing and Materials (ASTM) specifications ASTM A36, ASTM A193 B7/B7m, ASTM A193 B16, ASTM A307, ASTM A320 L7/L7M, ASTM A320 L43, ASTM A354 BC and BD, ASTM A449, ASTM F1554–36, ASTM F1554–55, ASTM F1554 Grade 105, American Society of Mechanical Engineers (ASME) specification ASME B18.31.3, and American Petroleum Institute (API) specification API 20E. All steel threaded rod 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 includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the merchandise from the scope of this investigation if performed in the country of manufacture of the threaded rod.

Carbon and alloy steel threaded rod are also included in the scope of this investigation whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of this investigation are: (1) Threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on Certain Steel Threaded Rod from the People's Republic of China. *See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 17154 (April 14, 2009).

Specifically excluded from the scope of this investigation is threaded rod that is imported as part of a package of hardware in conjunction with a ready-to-assemble piece of furniture. Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

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