

with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

We are issuing and publishing these results and this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 7, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

APPENDIX I

List of Comments in the Decision Memorandum

Comment 1: Offsetting Negative Margins
Comment 2: Quarterly Cost Methodology

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-351-828]

Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil; Final Results of Antidumping Duty Administrative Review

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

SUMMARY: On April 14, 2010, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on certain hot-rolled, flat-rolled carbon quality steel products (hot-rolled steel) from Brazil. *See Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products From Brazil: Preliminary Results of Antidumping Duty Administrative Review and Extension of Time Limit for the Final Results*, 75 FR 19369 (April 14, 2010) (*Preliminary Results*). This review covers sales of subject merchandise made by Usinas Siderurgicas de Minas Gerais (USIMINAS) and Companhia Siderurgica Paulista (COSIPA) (collectively, USIMINAS) for the period March 1, 2008, to February 28, 2009. Based on our analysis of the comments received, we have made changes to the margin calculation; therefore, the final results differ from the preliminary results. The final weighted-average dumping margin for the reviewed firms

is listed below in the section entitled "Final Results of Review."

DATES: *Effective Date:* October 19, 2010.

FOR FURTHER INFORMATION CONTACT: Patrick Edwards or Dena Crossland, 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) 482-3362, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 14, 2010, the Department published in the **Federal Register** the preliminary results of the administrative review of the antidumping duty order on hot-rolled steel from Brazil for the period March 1, 2008, to February 28, 2009. *See Preliminary Results*. As noted in the preliminary results, the Department conducted cost and sales verifications of USIMINAS' questionnaire responses from March 1, 2010, through March 5, 2010, and March 8, 2010, through March 12, 2010, respectively. *See Preliminary Results* at 19372. Due to the necessary rescheduling of the verifications, the Department issued its verification reports subsequent to the *Preliminary Results*. *See Memorandum to the File*, from Laurens Van Houten, Senior Accountant, titled "Verification of the Cost Response of Usinas Siderurgicas de Minas Gerais ('Usiminas') and Companhia Siderurgica Paulista ('Cosipa') in the Antidumping Review of Hot-Rolled Steel from Brazil," dated April 16, 2010 (USIMINAS Cost Verification Report); *see also*, Memorandum to the File, from Patrick Edwards and Dena Crossland, Analysts, titled "Verification of the Sales Responses of Usinas Siderurgicas de Minas Gerais (USIMINAS) and Companhia Siderurgica Paulista (COSIPA) in the Antidumping Review of Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil," dated June 22, 2010 (USIMINAS Sales Verification Report). Following the release of both verification reports, the Department issued a letter to USIMINAS requesting specific changes to its sales database based upon USIMINAS' disclosure of minor errors at the onset of the sales verification and findings made by the Department during the verification. *See Letter from Angelica L. Mendoza, Program Manager, to USIMINAS*, titled "Requested Changes to Sales Databases Resulting from Sales Verification," dated June 23, 2010. USIMINAS submitted its response and revised databases on July 8, 2010,

which served as the start of the period in which parties could submit comments and rebuttal comments on the *Preliminary Results*.

In response to the Department's invitation for comments on the preliminary results of this review, USIMINAS timely submitted its case brief on July 1, 2010. *See Letter from USIMINAS and COSIPA to the Department of Commerce*, titled "Submission of Case Brief: Hot-Rolled Steel from Brazil," dated July 1, 2010 (USIMINAS Case Brief). United States Steel Corporation (U.S. Steel), a petitioning party in this proceeding (petitioner), submitted its case brief on July 21, 2010. *See Letter from United States Steel Corporation*, titled "Case Brief: Certain Hot-Rolled Carbon Steel Flat Products from Brazil," dated July 21, 2010 (U.S. Steel Case Brief). On July 28, 2010, U.S. Steel and Nucor Corporation (Nucor), a domestic interested party in this proceeding, submitted their rebuttal briefs. *See Letter from United States Steel Corporation*, titled "Rebuttal Brief: Certain Hot-Rolled Carbon Steel Flat Products from Brazil," dated July 28, 2010 (U.S. Steel Rebuttal Brief); *see also*, Letter from Nucor Corporation, titled "Certain Hot-Rolled Carbon Steel Flat Products from Brazil: Rebuttal Brief," dated July 28, 2010 (Nucor Rebuttal Brief). No public hearing was requested or held.

Period of Review

The period of review (POR) is March 1, 2008, to February 28, 2009.

Scope of the Order

For purposes of this order, the products covered are certain hot-rolled flat-rolled carbon-quality steel products of a rectangular shape, of a width of 0.5 inch or greater, neither clad, plated, nor coated with metal and whether or not painted, varnished, or coated with plastics or other non-metallic substances, in coils (whether or not in successively superimposed layers) regardless of thickness, and in straight lengths, of a thickness less than 4.75 mm and of a width measuring at least 10 times the thickness. Universal mill plate (*i.e.*, flat-rolled products rolled on four faces or in a closed box pass, of a width exceeding 150 mm, but not exceeding 1250 mm and of a thickness of not less than 4 mm, not in coils and without patterns in relief) of a thickness not less than 4.0 mm is not included within the scope of this order.

Specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels, high strength low alloy

(HSLA) steels, and the substrate for motor lamination steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum. The substrate for motor lamination steels contains micro-alloying levels of elements such as silicon and aluminum.

Steel products to be included in the scope of this order, 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 2 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
- 0.012 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.

All products that meet the physical and chemical description provided above are within the scope of this order unless otherwise excluded. The following products, by way of example,

are outside and/or specifically excluded from the scope of this order:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, e.g., ASTM specifications A543, A387, A514, A517, and A506).
- SAE/AISI grades of series 2300 and higher.
- Ball bearing steels, as defined in the HTSUS.
- Tool steels, as defined in the HTSUS.
- Silico-manganese (as defined in the HTSUS) or silicon electrical steel with a silicon level exceeding 1.50 percent.
- ASTM specifications A710 and A736.
- USS Abrasion-resistant steels (USS AR 400, USS AR 500).
- Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni
0.10–0.14%	0.90% Max	0.025% Max	0.005% Max	0.30–0.50%	0.50–0.70%	0.20–0.40%	0.20% Max

Width = 44.80 inches maximum; Thickness = 0.063–0.198 inches; Yield Strength = 50,000 ksi minimum; Tensile Strength = 70,000–88,000 psi.

—Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	Mo
0.10–0.16%	0.70–0.90%	0.025% Max	0.006% Max	0.30–0.50%	0.50–0.70%	0.25% Max	0.20% Max	0.21% Max

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum; Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

—Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	V(wt.)	Cb
0.10–0.14%	1.30–1.80%	0.025% Max	0.005% Max	0.30–0.50%	0.50–0.70%	0.20–0.40%	0.20% Max	0.10 Max	0.08% Max

Width = 44.80 inches maximum; Thickness = 0.350 inches maximum; Yield Strength = 80,000 ksi minimum; Tensile Strength = 105,000 psi Aim.

—Hot-rolled steel coil which meets the following chemical, physical and mechanical specifications:

C	Mn	P	S	Si	Cr	Cu	Ni	Nb	Ca	Al
0.15% Max	1.40% Max	0.025% Max	0.010% Max	0.50% Max	1.00% Max	0.50% Max	0.20% Max	0.005% Min	Treated	0.01–0.07%

Width = 39.37 inches; Thickness = 0.181 inches maximum; Yield Strength = 70,000 psi minimum for thicknesses ≤0.148 inches and 65,000 psi minimum for thicknesses >0.148 inches; Tensile Strength = 80,000 psi minimum.

—Hot-rolled dual phase steel, phase-hardened, primarily with a ferritic-martensitic microstructure, contains 0.9 percent up to and including 1.5 percent silicon by weight, further

characterized by either (i) tensile strength between 540 N/mm² and 640 N/mm² and an elongation percentage 26 percent for thicknesses of 2 mm and above, or (ii) a tensile strength

between 590 N/mm² and 690 N/mm² and an elongation percentage 25 percent for thicknesses of 2 mm and above.

- Hot-rolled bearing quality steel, SAE grade 1050, in coils, with an inclusion rating of 1.0 maximum per ASTM E 45, Method A, with excellent surface quality and chemistry restrictions as follows:
- 0.012 percent maximum phosphorus, 0.015 percent maximum sulfur, and 0.20 percent maximum residuals including 0.15 percent maximum chromium.
- Grade ASTM A570–50 hot-rolled steel sheet in coils or cut lengths, width of 74 inches (nominal, within ASTM tolerances), thickness of 11 gauge (0.119 inch nominal), mill edge and skin passed, with a minimum copper content of 0.20%.

The merchandise subject to this order is classified in the HTSUS at subheadings: 7208.10.15.00, 7208.10.30.00, 7208.10.60.00, 7208.25.30.00, 7208.25.60.00, 7208.26.00.30, 7208.26.00.60, 7208.27.00.30, 7208.27.00.60, 7208.36.00.30, 7208.36.00.60, 7208.37.00.30, 7208.37.00.60, 7208.38.00.15, 7208.38.00.30, 7208.38.00.90, 7208.39.00.15, 7208.39.00.30, 7208.39.00.90, 7208.40.60.30, 7208.40.60.60, 7208.53.00.00, 7208.54.00.00, 7208.90.00.00, 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7211.14.00.90, 7211.19.15.00, 7211.19.20.00, 7211.19.30.00, 7211.19.45.00, 7211.19.60.00, 7211.19.75.30, 7211.19.75.60, 7211.19.75.90, 7212.40.10.00, 7212.40.50.00, 7212.50.00.00. Certain hot-rolled flat-rolled carbon-quality steel covered by this order, including: Vacuum degassed, fully stabilized; high strength low alloy; and the substrate for motor lamination steel may also enter under the following tariff numbers: 7225.11.00.00, 7225.19.00.00, 7225.30.30.50, 7225.30.70.00, 7225.40.70.00, 7225.99.00.90, 7226.11.10.00, 7226.11.90.30, 7226.11.90.60, 7226.19.10.00, 7226.19.90.00, 7226.91.50.00, 7226.91.70.00, 7226.91.80.00, and 7226.99.01.80.

Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the merchandise under this order is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by interested parties in this administrative review are addressed in the “Issues and Decision Memorandum for the Final Results of the Antidumping Duty Administrative Review of Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products

from Brazil” (Issues and Decision Memorandum), from Susan H. Kuhbach, Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald K. Lorentzen, Deputy Assistant Secretary for Import Administration, dated October 12, 2010, which is hereby adopted by this notice. A list of all issues, which parties have raised and to which we have responded, in the Issues and Decision Memorandum is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit in room 7046 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly via the Internet at <http://www.ia.ita.doc.gov/fm/index.html>. The paper copy and electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Since the *Preliminary Results*, and based upon comments received from parties in their respective case and rebuttal briefs and findings at the sales verification, we have made several changes to USIMINAS’ margin calculation. These changes are discussed in the relevant sections of the Issues and Decision Memorandum, where applicable, and the Memorandum to the File, from Patrick S. Edwards, Case Analyst, titled “Final Results of Antidumping Duty Administrative Review of Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil: Analysis of the Sales Responses Submitted by Usinas Siderurgicas de Minas Gerais (USIMINAS) and Companhia Siderurgica Paulista (COSIPA),” dated October 12, 2010 (Final Analysis Memorandum).

Partial Adverse Facts Available

As noted in the USIMINAS Sales Verification Report, USIMINAS had reported interest revenue received on certain transactions in the comparison market during the POR. However, as found during the sales verification, USIMINAS was unable to demonstrate that the interest revenue reported was attributable to subject merchandise, nor that the company captured all relevant receipts of interest revenue on subject sales in its databases. See USIMINAS Sales Verification Report at 5–6. As such, the interest revenue reported on USIMINAS’ comparison market sales was unverifiable. See USIMINAS Sales

Verification Report at 5 and Exhibit 1 for complete details and an explanation of this finding.

Section 776(a) of the Tariff Act of 1930, as amended (the Act), provides that the Department shall apply “facts otherwise available” (FA) if, (1) necessary information is not on the record, or (2) an interested party or any other person: (A) Withholds information that has been requested, (B) fails to provide information within the deadlines established, or in the form and manner requested by the Department, subject to subsections (c)(1) and (e) of section 782 of the Act, which (C) significantly impedes a proceeding, or (D) provides information that cannot be verified as provided by section 782(i) of the Act.

Section 776(b) of the Act further provides that the Department may use an adverse inference in applying the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with a request for information. See Statement of Administrative Action, accompanying the Uruguay Round Agreements Act, H.R. no. 103–316, Vol. 1 (1994) (SAA), at 870; see also, *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from the Russian Federation*, 65 FR 5510, 5518 (February 4, 2000) (*Russian Cold-Rolled*). Such an adverse inference may include reliance on information derived from the petition, the final determination, a previous administrative review, or other information placed on the record. See section 776(b) of the Act.

Although USIMINAS provided an explanation at the onset of its sales verification with regard to the error in its reported, and potentially unreported, comparison market interest revenue (which was disclosed as a minor correction), we find that the systemic nature of these incorrect and unverifiable revenue receipts constitute a greater concern than that of a minor correction disclosure, as the extent to which interest revenue receipts are either unreported or reported incorrectly remains unascertainable. Ultimately, USIMINAS failed to provide accurate and timely data in this capacity and, furthermore, these specific data were unable to be verified by the Department. Since USIMINAS failed to provide accurate and complete information regarding its comparison market interest revenue, despite the many opportunities available to the company to correct and supply this information, we have determined, pursuant to sections 776(a)(1) and (2)(B)

of the Act, that it is appropriate to base USIMINAS' dumping margin, in part, on FA.

Furthermore, in selecting from among the FA, we have determined, pursuant to section 776(b) of the Act, it is appropriate to use an adverse inference (AFA) because USIMINAS failed to cooperate by not acting to the best of its ability to comply with requests for information in this regard. See *Nippon Steel Corporation v. United States*, 337 F.3d 1373, 1383 (Fed. Cir. 2003), where the Court of Appeals for the Federal Circuit provided an explanation of the "failure to act to the best of its ability" standard noting that the Department need not show intentional conduct existed on the part of the respondent, but merely that a "failure to cooperate to the best of a respondent's ability" existed (*i.e.*, information was not provided "under circumstances in which it is reasonable to conclude that less than full cooperation has been shown"). Therefore, the Department finds that, in selecting from among the facts available, an adverse inference is appropriate. Adverse inferences are appropriate "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." *Id.*

We have therefore employed AFA with regard to USIMINAS' reported comparison market interest revenue earned on late payments, used in the calculation of USIMINAS' overall dumping margin for these final results. We have used USIMINAS' own reported information on the record of the instant review to derive these interest revenue amounts and, therefore, find that the rate is fully corroborated. See section 776(c) of the Act. Furthermore, as demonstrated in the Department's Final Analysis Memorandum, we have limited the application of AFA to only those customers which issued an interest revenue payment during the POR. Rather than applying these AFA interest revenue payments to all comparison market sales observations, we find this methodology to be conservative and reflective of the fact that interest revenue payments are recorded in USIMINAS' accounting system on a customer-specific basis. See USIMINAS Sales Verification Report at 5. For a complete explanation of the methodology used to calculate these AFA interest revenue payments, see Final Analysis Memorandum at 4.

Final Results of Review

We determine the following weighted average percentage margin exists for the period March 1, 2008, through February 28, 2009:

Manufacturer/Exporter	Weighted average margin (percentage)
Usinas Siderurgicas de Minas Gerais (USIMINAS)/ Companhia Siderurgica Paulista (COSIPA)	5.16

Assessment

The Department will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries, pursuant to section 751(a)(1) of the Act, and 19 CFR 351.212(b). The Department calculated an assessment rate for each importer of the subject merchandise covered by the review. Upon issuance of the final results of this review, for any importer-specific assessment rates calculated in the final results that are above *de minimis* (*i.e.*, at or above 0.50 percent), we will issue appraisal instructions directly to CBP to assess antidumping duties on appropriate entries by applying the per-unit dollar amount against each unit of merchandise on each of that importer's entries during the review period. See 19 CFR 351.212(b)(1). The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

The Department clarified its "automatic assessment" regulation on May 6, 2003. See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003). This clarification will apply to entries of subject merchandise during the POR produced by USIMINAS or COSIPA for which either company did not know the merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others' rate if there is no company-specific rate for an intermediary involved in the transaction.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of these final results for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of administrative review, consistent with section 751(a)(1) of the Act: (1) The cash deposit rate for the reviewed company will be the rate listed above; (2) if the exporter is not a firm covered in this review, but was covered in a previous review or the original less-than-fair-value (LTFV) investigation, the cash deposit rate will continue to be the

company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 42.12 percent, the all-others rate established in the LTFV investigation. See *Antidumping Duty Order: Certain Hot-Rolled Flat-Rolled Carbon Quality Steel Products from Brazil*, 67 FR 11093 (March 12, 2002). These deposit requirements, when imposed, shall remain in effect until further notice.

Notifications to Interested Parties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written 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.

This notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: October 12, 2010.

Ronald K. Lorentzen,
Deputy Assistant Secretary for Import Administration.

Appendix—List of Issues in Issues and Decision Memorandum—

Comment 1: Use of Exchange Rates from *Factiva*

Comment 2: Interest Income on Judicial Escrow Deposits

Comment 3: U.S. Credit Expense

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