

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-918]

Steel Wire Garment Hangers From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Results of Administrative Review and New Shipper Review and Notice of Amended Final Results Pursuant to Court Decision

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

SUMMARY: The Court of International Trade (CIT or Court) sustained the final remand results pertaining to the fourth administrative review and new shipper review of the antidumping duty order on steel wire garment hangers from the People's Republic of China (PRC) covering the period of October 1, 2011, through September 30, 2012. The Department of Commerce (Department) is notifying the public that this case is not in harmony with the final results of the administrative review and new shipper review. Therefore, the Department is amending the final results with respect to the dumping margin assigned to Hangzhou Yingqing Material Co. Ltd. (Yingqing).

DATES: Effective May 1, 2017.

FOR FURTHER INFORMATION CONTACT: Jessica Weeks, AD/CVD Operations Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401

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SUPPLEMENTARY INFORMATION:

Background

On June 2, 2014, the Department published its *AR4/NSR Final Results*,¹ which covered Shanghai Wells Hanger Co., Ltd, the PRC-wide entity, and Yingqing² as respondents.³ Yingqing challenged certain aspects of the *AR4/NSR Final Results*, including the allocation of labor expenses when calculating surrogate financial ratios and whether the expense of obtaining a letter of credit should be included when valuing brokerage and handling (B&H).

On December 21, 2016, the Court remanded *AR4/NSR Final Results* for the Department to reconsider the allocation of labor costs in the surrogate financial ratios calculations⁴ and to reconsider its refusal to deduct the expense of obtaining a letter of credit in light of information on the record.⁵ In accordance with the Court's remand order, the Department reconsidered these issues and filed its Final Remand Results with the Court on March 17, 2017.⁶ In the Final Remand Results, the Department provided further explanations concerning its allocation of labor costs and departure from its methodology in the fourth administrative review of certain steel nails from the PRC.⁷ The Department also determined that record evidence supported deducting the cost of obtaining a letter of credit from the total amount of B&H expenses.⁸ On April 21, 2017, the Court sustained the

Department's Final Remand Results in *Hangzhou Yingqing Material*.⁹

Timken Notice

In its decision in *Timken*,¹⁰ as clarified by *Diamond Sawblades*,¹¹ the Court of Appeals for the Federal Circuit held that, pursuant to section 516A(e) of the Tariff Act of 1930, as amended (the Act), the Department must publish a notice of a court decision that is not "in harmony" with a Department determination and must suspend liquidation of entries pending a "conclusive" court decision. The Court's April 21, 2017, judgment in *Hangzhou Yingqing Material* constitutes a final decision of the Court that is not in harmony with the Department's *AR4/NSR Final Results*. This notice is published in fulfillment of the publication requirement of *Timken*. Accordingly, the Department will continue the suspension of liquidation of the subject merchandise at issue pending expiration of the period to appeal or, if appealed, a final and conclusive court decision.

Amended Final Results

Because there is now a final court decision, the Department amends the *AR4/NSR Final Results* with respect to the companies identified below. Based on the Remand Results, as affirmed by the Court in *Hangzhou Yingqing Material*, the revised combination-rate weighted average-dumping margin for the companies listed below during the period October 1, 2011 through September 30, 2012 is as follows:

| Exporter | Producer | Weighted-average margin (percent) |
|--|--|-----------------------------------|
| Hangzhou Yingqing Material Co. Ltd | Hangzhou Qingqing Mechanical Co. Ltd | 40.39 |

In the event that the CIT's ruling is not appealed or, if appealed, is upheld by a final and conclusive court decision, the Department will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on unliquidated entries of subject

merchandise based on the revised dumping margin listed above.

Cash Deposit Requirements

Because there is now a final court decision, we are amending the *AR4/NSR Final Results* and have revised the

weighted-average dumping margin for the companies as shown above. As a result of the Final Remand Results, and as affirmed by the Court in *Hangzhou Yingqing Material*, the cash deposit rate for the companies listed above is 40.39%, effective May 1, 2017. The

¹ See *Steel Wire Garment Hangers from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and New Shipper Review, 2011-2012*, 79 FR 31298 (June 2, 2014) (*AR4/NSR Final Results*) and accompanying Issues and Decision Memorandum (IDM).

² Yingqing and Hangzhou Qingqing Mechanical Co., Ltd. are in an exporter/manufacturer combination rate. See *AR4/NSR Final Results* and accompanying IDM.

³ The *AR4/NSR Final Results* and accompanying IDM pertain to both the fourth administrative review of steel wire garment hangers from the

People's Republic of China and the aligned new shipper review of Yingqing.

⁴ See *Hangzhou Yingqing Material Co. v. United States*, 195 F. Supp. 3d 1299, 1310-11 (CIT 2016).

⁵ *Id.* at 1311-12.

⁶ See *Redetermination Pursuant to Court Remand Order in Hangzhou Yingqing Material Co. Ltd. et al. v. United States*, Court No. 14-00133 (March 17, 2017) (Final Remand Results).

⁷ See Final Remand Results at 9 and 10; see also *Certain Steel Nails from the People's Republic of China: Final Results of the Fourth Antidumping*

Duty Administrative Review, 79 FR 19316 (April 8, 2014).

⁸ See Final Remand Results at 11 and 12.

⁹ See *Hangzhou Yingqing Material Co. and Hangzhou Qingqing Mechanical Co. v. United States*, Court No. 14-00133, Slip Op. 17-47 (CIT April 21, 2017) (*Hangzhou Yingqing Material*).

¹⁰ See *Timken Co. v. United States*, 893 F.2d 337, 341 (Fed. Cir. 1990) (*Timken*).

¹¹ See *Diamond Sawblades Mfrs. Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

Department will instruct CBP accordingly.

Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(e)(1), 751(a)(1), and 777(i)(1) of the Act.

Dated: May 10, 2017.

Ronald K. Lorentzen,

Acting Assistant Secretary for Enforcement and Compliance.

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DEPARTMENT OF COMMERCE

International Trade Administration

[C-533-874; C-570-059]

Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel From India and the People's Republic of China: Initiation of Countervailing Duty Investigations

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

DATES: Effective May 9, 2017.

FOR FURTHER INFORMATION CONTACT: Elfie Blum at (202) 482-0197 (India); Yasmin Bordas at (202) 482-3813 (the People's Republic of China), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On April 19, 2017, the U.S. Department of Commerce (the Department) received countervailing duty (CVD) Petitions concerning imports of certain cold-drawn mechanical tubing of carbon and alloy steel (cold-drawn mechanical tubing) from India and the People's Republic of China (the PRC), filed in proper form on behalf of ArcelorMittal Tubular Products; Michigan Seamless Tube, LLC; PTC Alliance Corp.; Webco Industries, Inc.; and Zekelman Industries, Inc. (collectively, the petitioners). The CVD Petitions were accompanied by antidumping duty (AD) Petitions concerning imports of cold-drawn mechanical tubing from each of the above countries, in addition to Italy, Switzerland, the Federal Republic of Germany, and the Republic of Korea.¹

¹ See "Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China, the Federal Republic of Germany, India, Italy, the Republic of Korea, and Switzerland—Petitions for the Imposition of Antidumping and

The petitioners are domestic producers of cold-drawn mechanical tubing.²

On April 24, 2017, the Department requested supplemental information pertaining to certain areas of the Petitions.³ The petitioners filed responses to these requests on April 28, 2017.⁴

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that the Governments of India (GOI) and the PRC (GOC) are providing countervailable subsidies, within the meaning of sections 701 and 771(5) of the Act, to imports of cold-drawn mechanical tubing from India and the PRC, respectively, and that such imports are materially injuring the domestic industry producing cold-drawn mechanical tubing in the United States. Also, consistent with section 702(b)(1) of the Act, for those alleged programs on which we are initiating a CVD investigation, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act. The Department also finds that the petitioners demonstrated sufficient

Countervailing Duties," dated April 19, 2017 (the Petitions).

² *Id.*, Volume I of the Petitions, at 2.

³ See Letter from the Department, "Petition for the Imposition of Countervailing Duties on Imports of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India: Supplemental Questions," dated April 24, 2017 (India CVD Supplemental Questionnaire); see also Letter from the Department, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China, the Federal Republic of Germany, India, Italy, the Republic of Korea, and Switzerland: Supplemental Questions," dated April 24, 2017 (General Issues Supplemental Questionnaire); see also Letter from the Department "Petition for the Imposition of Countervailing Duties on Imports of Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the PRC: Supplemental Questions," dated April 24, 2017 (PRC CVD Supplemental Questionnaire).

⁴ See Letter from the petitioners, "Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India—Petitioners' Response to Supplemental Questionnaire Concerning Countervailing Duty Petition," dated April 28, 2017 (India CVD Supplement); see also Letter from the petitioners, "Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from India—Petitioners' Amendment to Volume I Relating to General Issues," dated April 28, 2017 (General Issues Supplement); see also Letter from Petitioners, "Certain Cold-Drawn Mechanical Tubing of Carbon and Alloy Steel from the People's Republic of China—Petitioners' Response to Supplemental Questionnaire Concerning Countervailing Duty Petition," dated April 28, 2017 (PRC CVD Supplement).

industry support with respect to the initiation of the CVD investigations that the petitioners are requesting.⁵

Periods of Investigation

Because the Petitions were filed on April 19, 2017, the period of investigation is January 1, 2016, through December 31, 2016.

Scope of the Investigations

The product covered by these investigations is cold-drawn mechanical tubing from India and the PRC. For a full description of the scope of these investigations, see the "Scope of the Investigations," in Appendix I of this notice.

Comments on Scope of the Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.⁶

As discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).⁷ The Department will consider all comments received from interested parties and, if necessary, will consult with the interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information (see 19 CFR 351.102(b)(21)) all such factual information should be limited to public information. To facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on Tuesday, May 30, 2017, which is 20 calendar days from the signature date of this notice.⁸ Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Thursday, June 8, 2017, which is 10 calendar days from the initial comments deadline.⁹

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party

⁵ See "Determination of Industry Support for the Petition" section, below.

⁶ See General Issues Supplemental Questionnaire; see also General Issues Supplement.

⁷ See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁸ The twenty-day deadline falls on May 29, 2017, a federal holiday; accordingly, our due date will be on the next business day.

⁹ See 19 CFR 351.303(b).