

relevant information from calendar year 2018 and must be submitted to Commerce no later than June 15, 2019.

**ADDRESSES:** Submit reports in both hard copy and electronically. Address the hard copy to “Offsets Program Manager, U.S. Department of Commerce, Office of Strategic Industries and Economic Security, Bureau of Industry and Security (BIS), Room 3878, Washington, DC 20230”. Submit electronic copies to [OffsetReport@bis.doc.gov](mailto:OffsetReport@bis.doc.gov).

**FOR FURTHER INFORMATION CONTACT:** Ronald DeMarines, Office of Strategic Industries and Economic Security, Bureau of Industry and Security, U.S. Department of Commerce, telephone: 202-482-3755; fax: 202-482-5650; email: [ronald.demarines@bis.doc.gov](mailto:ronald.demarines@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:**

**Background**

Section 723(a)(1) of the Defense Production Act of 1950, as amended (DPA) (50 U.S.C. 4568 (2018)) requires the President to submit an annual report to Congress on the impact of offsets on the U.S. defense industrial base. Section 723(a)(2) directs the Secretary of Commerce (Secretary) to prepare the President’s report and to develop and administer the regulations necessary to collect offsets data from U.S. defense exporters.

The authorities of the Secretary regarding offsets have been delegated to the Under Secretary of Commerce for Industry and Security. The regulations associated with offsets reporting are set forth in part 701 of title 15 of the Code of Federal Regulations (Offsets Regulation). Offsets are compensation practices required as a condition of purchase in either government-to-government or commercial sales of defense articles and/or defense services, as defined by the Arms Export Control Act (22 U.S.C. 2778) and the International Traffic in Arms Regulations (22 CFR 120-130). Offsets are also applicable to certain items controlled on the Commerce Control list (CCL) and with an Export Control Classification Number (ECCN) including the numeral “6” as its third character. The CCL is found in Supplement No. 1 to part 774 of the Export Administration Regulations.

An example of an offset is as follows: a company that is selling a fleet of military aircraft to a foreign government may agree to offset the cost of the aircraft by providing training assistance to plant managers in the purchasing country. Although this distorts the true price of the aircraft, the foreign government may require this sort of extra compensation as a condition of

awarding the contract to purchase the aircraft. As described in the Offsets Regulation, U.S. firms are required to report information on contracts for the sale of defense articles or defense services to foreign countries or foreign firms that are subject to offsets agreements exceeding \$5,000,000 in value. U.S. firms are also required to report annually information on offsets transactions completed in performance of existing offsets commitments for which offsets credit of \$250,000 or more has been claimed from the foreign representative.

Commerce’s annual report to Congress includes an aggregated summary of the data reported by industry in accordance with the Offsets Regulation and the DPA (50 U.S.C. 4568 (2018)). As provided by section 723(c) of the DPA, BIS will not publicly disclose individual firm information it receives through offsets reporting unless the firm furnishing the information specifically authorizes public disclosure. The information collected is sorted and organized into an aggregate report of national offsets data, and therefore does not identify company-specific information.

To enable BIS to prepare the next annual offset report reflecting calendar year 2018 data, affected U.S. firms must submit required information on offsets agreements and offsets transactions from calendar year 2018 to BIS no later than June 15, 2019.

Dated: May 28, 2019.

**Richard E. Ashooh,**  
*Assistant Secretary for Export Administration.*

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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-570-922, A-583-842]**

**Raw Flexible Magnets From the People’s Republic of China and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders**

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

**SUMMARY:** As a result of these second sunset reviews, the Department of Commerce (Commerce) finds that revocation of the antidumping duty (AD) orders on raw flexible magnets from the People’s Republic of China (China) and Taiwan would be likely to lead to continuation or recurrence of dumping at the level indicated in the

“Final Results of Sunset Reviews” section of this notice.

**DATES:** Applicable June 6, 2019.

**FOR FURTHER INFORMATION CONTACT:** Joshua Poole or Minoo Hatten, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-1293 or (202) 482-1690, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On September 17, 2008, Commerce published in the **Federal Register** the AD orders on raw flexible magnets from China and Taiwan.<sup>1</sup> On February 5, 2019, Commerce initiated the second sunset reviews of the *Orders*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>2</sup>

On February 8, 2019, Commerce received notice of intent to participate from Magnum Magnetics Corporation (Magnum), within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>3</sup> Magnum, a domestic producer of the subject merchandise, claimed interested party status under section 771(9)(C) of the Act.<sup>4</sup>

On March 7, 2019, Commerce received adequate substantive responses from Magnum within the 30-day period specified in 19 CFR 351.218(d)(3)(i).<sup>5</sup> We received no substantive responses from any respondent interested parties. On March 20, 2019, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.<sup>6</sup> As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted expedited (120-day) sunset reviews of the *Orders*.

<sup>1</sup> See *Antidumping Duty Order; Raw Flexible Magnets from the People’s Republic of China*, 73 FR 53847 (September 17, 2008); *Antidumping Duty Order: Raw Flexible Magnets from Taiwan*, 73 FR 53848 (September 17, 2008) (collectively, *Orders*).

<sup>2</sup> See *Initiation of Five-Year (“Sunset”) Review*, 84 FR 1705 (February 5, 2019).

<sup>3</sup> See Letter from Magnum, “Five-Year Review of Raw Flexible Magnets from China and Taiwan: Notice of Intent to Participate,” dated February 8, 2019.

<sup>4</sup> *Id.* at 2.

<sup>5</sup> See Letter from Magnum, “Five-Year (“Sunset”) Review of the Antidumping Duty Orders on Raw Flexible Magnets from China and Taiwan: Domestic Industry Substantive Response,” dated March 7, 2019.

<sup>6</sup> See Letter from Commerce to ITC, “*Sunset Review Initiated on February 5, 2019 Applicable to January 2019*,” dated March 20, 2019.

## Scope of the Orders

The products covered by this order are certain flexible magnets regardless of shape,<sup>7</sup> color, or packaging.<sup>8</sup> Subject flexible magnets are bonded magnets composed (not necessarily exclusively) of (i) any one or combination of various flexible binders (such as polymers or copolymers, or rubber) and (ii) a magnetic element, which may consist of a ferrite permanent magnet material (commonly, strontium or barium ferrite, or a combination of the two), a metal alloy (such as NdFeB or Alnico), any combination of the foregoing with each other or any other material, or any other material capable of being permanently magnetized. Subject flexible magnets may be in either magnetized or unmagnetized (including demagnetized) condition, and may or may not be fully or partially laminated or fully or partially bonded with paper, plastic, or other material, of any composition and/or color. Subject flexible magnets may be uncoated or may be coated with an adhesive or any other coating or combination of coatings.

Specifically excluded from the scope of this order are printed flexible magnets, defined as flexible magnets (including individual magnets) that are laminated or bonded with paper, plastic, or other material if such paper, plastic, or other material bears printed text and/or images, including but not limited to business cards, calendars, poetry, sports event schedules, business promotions, decorative motifs, and the like. This exclusion does not apply to such printed flexible magnets if the printing concerned consists of only the following: A trade mark or trade name; country of origin; border, stripes, or lines; any printing that is removed in the course of cutting and/or printing magnets for retail sale or other disposition from the flexible magnet; manufacturing or use instructions (e.g., "print this side up," "this side up," "laminated here"); printing on adhesive backing (that is, material to be removed in order to expose adhesive for use such as application of laminate) or on any other covering that is removed from the flexible magnet prior or subsequent to final printing and before use; non-permanent printing (that is, printing in a medium that facilitates easy removal, permitting the flexible magnet to be re-printed); printing on the back (magnetic side); or any combination of the above.

<sup>7</sup> The term "shape" includes, but is not limited to profiles, which are flexible magnets with a non-rectangular cross-section.

<sup>8</sup> Packaging includes retail or specialty packaging such as digital printer cartridges.

All products meeting the physical description of subject merchandise that are not specifically excluded are within the scope of this order. The products subject to the order are currently classifiable principally under subheadings 8505.19.10 and 8505.19.20 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided only for convenience and customs purposes; the written description of the scope of the order is dispositive. A full description of the scope of the order is contained in the Issues and Decision Memorandum.<sup>9</sup>

## Analysis of Comments Received

All issues raised in this sunset review, specifically the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the *Orders* were to be revoked, are addressed in the Issues and Decision Memorandum. 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 <http://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>.

## Final Results of Reviews

Pursuant to sections 751(c)(1) and 752(c)(1) and (3) of the Act, Commerce determines that revocation of the AD orders on raw flexible magnets from China and Taiwan would be likely to lead to continuation or recurrence of dumping, and that the magnitude of the margin of dumping likely to prevail if the AD *Orders* are revoked would be up to the following percentages:<sup>10</sup>

Country	Weighted-average margin (percent)
China .....	185.28
Taiwan .....	38.03

## Notification Regarding Administrative Protective Order

This notice serves as the only reminder to parties subject to

<sup>9</sup> See Memorandum regarding "Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of Raw Flexible Magnets from the People's Republic of China," dated concurrently with and adopted by this notice (Issues and Decision Memorandum).

<sup>10</sup> *Id.*

administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the 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 violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: May 31, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-580-809]

### Circular Welded Non-Alloy Steel Pipe From the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017

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

**SUMMARY:** The Department of Commerce (Commerce) determines that Husteel Co., Ltd. (Husteel) and Hyundai Steel Company (Hyundai), producers/exporters of circular welded non-alloy steel pipe (CWP) from the Republic of Korea (Korea), sold subject merchandise in the United States at prices below normal value (NV) during the period of review (POR) November 1, 2016, through October 31, 2017.

**DATES:** Applicable June 6, 2019.

#### FOR FURTHER INFORMATION CONTACT:

Dana Mermelstein and Nicholas Czajkowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone (202) 482-1391 and (202) 482-1395, respectively.

#### SUPPLEMENTARY INFORMATION:

#### Background

On December 3, 2018, Commerce published the *Preliminary Results* of the administrative review.<sup>1</sup> We invited

<sup>1</sup> See *Circular Welded Non-Alloy Steel Pipe from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-*