

request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review Commerce's regulations concerning the extension of time limits and the *Time Limits Final Rule* prior to submitting extension requests or factual information in this investigation.<sup>35</sup>

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>36</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>37</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Parties wishing to participate in this investigation should ensure that they meet the requirements of document submission procedures (e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d)) (e.g., by filing the required letter of appearance).<sup>38</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>39</sup>

This notice is issued and published pursuant to sections 702 and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: October 18, 2022.

**Lisa W. Wang,**

*Assistant Secretary, for Enforcement and Compliance.*

#### Appendix

##### Scope of the Investigation

The scope of this investigation covers certain freight railcar couplers (also known as

<sup>35</sup> See 19 CFR 351; see also *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013) (*Time Limits Final Rule*), available at <https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>.

<sup>36</sup> See section 782(b) of the Act.

<sup>37</sup> See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at [https://enforcement.trade.gov/lei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](https://enforcement.trade.gov/lei/notices/factual_info_final_rule_FAQ_07172013.pdf).

<sup>38</sup> See *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008).

<sup>39</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

“fits” or “assemblies”) and parts thereof. Freight railcar couplers are composed of two main parts, namely knuckles and coupler bodies but may also include other items (e.g., coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors). The parts of couplers that are covered by the investigation include: (1) E coupler bodies, (2) E/F coupler bodies, (3) F coupler bodies, (4) E knuckles, and (5) F knuckles, as set forth by the Association of American Railroads (AAR). The freight rail coupler parts (i.e., knuckles and coupler bodies) are included within the scope of this investigation when imported separately. Coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors are covered merchandise when imported in an assembly but are not covered by the scope when imported separately.

Subject freight railcar couplers and parts are included within the scope whether finished or unfinished, whether imported individually or with other subject or nonsubject parts, whether assembled or unassembled, whether mounted or unmounted, or if joined with nonsubject merchandise, such as other nonsubject parts or a completed railcar. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various parts. When a subject coupler or subject parts are mounted on or to other nonsubject merchandise, such as a railcar, only the coupler or subject parts are covered by the scope.

The finished products covered by the scope of this investigation meet or exceed the AAR specifications of M-211, “Foundry and Product Approval Requirements for the Manufacture of Couplers, Coupler Yokes, Knuckles, Follower Blocks, and Coupler Parts” and/or AAR M-215 “Coupling Systems,” or other equivalent domestic or international standards (including any revisions to the standard(s)).

The country of origin for subject couplers and parts thereof, whether fully assembled, unfinished or finished, or attached to a railcar, is the country where the subject coupler parts were cast or forged. Subject merchandise includes coupler parts as defined above that have been further processed or further assembled, including those coupler parts attached to a railcar in third countries. Further processing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, painting, coating, priming, machining, and assembly of various parts. The inclusion, attachment, joining, or assembly of nonsubject parts with subject parts or couplers either in the country of manufacture of the in-scope product or in a third country does not remove the subject parts or couplers from the scope.

The couplers that are the subject of this investigation are currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8607.30.1000. Unfinished subject merchandise may also enter under HTSUS statistical reporting number 7326.90.8688. Subject merchandise attached to finished railcars may also enter under HTSUS

statistical reporting numbers 8606.10.0000, 8606.30.0000, 8606.91.0000, 8606.92.0000, 8606.99.0130, 8606.99.0160, or under subheading 9803.00.5000 if imported as an Instrument of International Traffic. Subject merchandise may also be imported under HTSUS statistical reporting number 7325.99.5000. These HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-145, A-201-857]

#### Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China and Mexico: Initiation of Less-Than-Fair-Value Investigations

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

**DATES:** Applicable October 18, 2022.

**FOR FURTHER INFORMATION CONTACT:** Zachary Shaykin (the People's Republic of China (China)); and Jon Hall-Eastman or Samuel Brummitt (Mexico); AD/CVD Operations, Offices IV and III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-2638, (202) 482-1468, or (202) 482-7851, respectively.

#### SUPPLEMENTARY INFORMATION:

##### The Petitions

On September 28, 2022, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of certain freight rail couplers and parts thereof (freight rail couplers) from China and Mexico filed in proper form on behalf of the Coalition of Freight Coupler Producers (the petitioner).<sup>1</sup> The Petitions were accompanied by a countervailing duty (CVD) petition concerning imports of freight rail couplers from China.<sup>2</sup>

Between September 30 and October 11, 2022, Commerce requested

<sup>1</sup> See Petitioner's Letter, “Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Petitions for the Imposition of Antidumping and Countervailing Duties,” dated September 28, 2022 (Petitions). The members of the Coalition of Freight Coupler Producers are McConway & Torley LLC and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union.

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

supplemental information pertaining to certain aspects of the Petitions in separate supplemental questionnaires.<sup>3</sup> The petitioner filed timely responses to these requests for additional information.<sup>4</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of freight rail couplers from China and Mexico are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Act, and that imports of such products are materially injuring, or threatening material injury to, the freight rail coupler industry in the United States. Consistent with section

<sup>3</sup> See Commerce's Letters, "Petition for the Imposition of Antidumping and Countervailing Duties on Imports of Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and Mexico: Supplemental Questions," dated September 30, 2022 (Commerce's First General Issues Supplemental); "Petition for the Imposition of Antidumping Duties on Imports of Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Supplemental Questions," dated October 3, 2022; and "Petition for the Imposition of Antidumping Duties on Imports of Certain Freight Rail Couplers and Parts Thereof from Mexico: Supplemental Questions," dated October 3, 2022; see also Memoranda, "Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Freight Rail Couplers and Parts Thereof from the People's Republic of China and Antidumping Duties on Certain Freight Rail Couplers and Parts Thereof from Mexico: Phone Call with Counsel to the Petitioner," dated October 7, 2022 (Commerce's Second General Issues Supplemental); "Petition for the Imposition of Antidumping Duties on Imports of Certain Freight Rail Couplers and Parts Thereof from Mexico: Supplemental Questions," dated October 11, 2022; and "Petition for the Imposition of Antidumping Duties on Imports of Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Supplemental Questions," dated October 11, 2022.

<sup>4</sup> See Petitioner's Letters, "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to Supplemental Questions for Volume I Common Issues and Injury Petition," dated October 4, 2022 (First General Issues Supplemental); "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to the First Supplemental Questions for Volume II China Antidumping Petition," dated October 7, 2022; "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to the First Supplemental Questions for Volume IV Mexico Antidumping Petition," dated October 7, 2022; "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to Second Supplemental Questions for Volume I Common Issues and Injury Petition," dated October 11, 2022 (Second General Issues Supplemental); "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to Second Supplemental Questions for Volume IV Mexico Antidumping Duty Petition," dated October 13, 2022; and "Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and the United Mexican States: Response to Second Supplemental Questions for Volume II China Antidumping Duty Petition," dated October 13, 2022.

732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting their allegations.

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry, because the petitioner is an interested party, as defined in section 771(9)(F) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested AD investigations.<sup>5</sup>

#### Periods of Investigation

Because the Petitions were filed on September 28, 2022, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for the Mexico AD investigation is July 1, 2021, through June 30, 2022. Because China is a non-market economy (NME) country, pursuant to section 351.204(b)(1), the POI for the China investigation is January 1, 2022, through June 30, 2022.

#### Scope of the Investigations

The products covered by these investigations are freight rail couplers from China and Mexico. For a full description of the scope of these investigations, see the appendix to this notice.

#### Comments on the Scope of the Investigations

On September 30 and October 7, 2022, Commerce requested information from the petitioner regarding the proposed scope to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.<sup>6</sup> On October 4 and 11, 2022, the petitioner revised the scope.<sup>7</sup> The description of merchandise covered by these investigations, as described in the appendix to this notice, reflects these clarifications.

As discussed in the *Preamble* to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (*i.e.*, scope).<sup>8</sup> Commerce will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments

<sup>5</sup> See *infra*, section on "Determination of Industry Support for the Petitions."

<sup>6</sup> See Commerce's First General Issues Supplemental at 3–4; see also Commerce's Second General Issues Supplemental at 1–2.

<sup>7</sup> See First General Issues Supplemental at 1–3 and Exhibit I–Supp–1; see also Second General Issues Supplemental at 2 and Exhibit I–Supp2–4.

<sup>8</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

include factual information,<sup>9</sup> all such factual information should be limited to public information. To facilitate preparation of its questionnaires, Commerce requests that all interested parties submit such comments by 5:00 p.m. Eastern Time (ET) on November 7, 2022. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on November 17, 2022, which is ten calendar days from the initial comment deadline.

Commerce requests that any factual information that parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the concurrent AD and CVD investigations.

#### Filing Requirements

All submissions to Commerce must be filed electronically via Enforcement and Compliance's (E&C) Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS), unless an exception applies.<sup>10</sup> An electronically filed document must be received successfully in its entirety by the time and date it is due.

#### Comments on Product Characteristics

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of freight rail couplers to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors of production (FOP) or cost of production (COP) accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide

<sup>9</sup> See 19 CFR 351.102(b)(21) (defining "factual information").

<sup>10</sup> See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance: Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014), for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at [https://access.trade.gov/help/Handbook\\_on\\_Electronic\\_Filing\\_Procedures.pdf](https://access.trade.gov/help/Handbook_on_Electronic_Filing_Procedures.pdf).

comments as to which characteristics are appropriate to use as: (1) general product characteristics; and (2) product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe freight rail couplers, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on November 7, 2022. Any rebuttal comments must be filed by 5:00 p.m. ET on November 17, 2022. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the AD investigations.

#### Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the

requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The U.S. International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must apply the same statutory definition regarding the domestic like product,<sup>11</sup> they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>12</sup>

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.<sup>13</sup> Based on our analysis of the information submitted on the record, we have determined that freight rail couplers, as defined in the scope, constitute a single domestic like product, and we have analyzed industry support in terms of that domestic like product.<sup>14</sup>

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions

<sup>11</sup> See section 771(10) of the Act.

<sup>12</sup> See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

<sup>13</sup> See Petitions at Volume I (17–21 and Exhibit I–19); see also First General Issues Supplement at 8–9.

<sup>14</sup> For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see AD Investigation Initiation Checklists, “Certain Freight Rail Couplers and Parts Thereof from the People’s Republic of China,” and “Certain Freight Rail Couplers and Parts Thereof from Mexico,” both dated concurrently with this notice (China AD Initiation Checklist and Mexico AD Initiation Checklist, respectively), at Attachment II (Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Certain Freight Rail Couplers and Parts Thereof from the People’s Republic of China and Mexico).

with reference to the domestic like product as defined in the “Scope of the Investigations,” in the appendix to this notice. To establish industry support, the petitioner provided its own production of freight rail couplers in 2021 and compared this to the estimated total 2021 production of the domestic like product for the entire U.S. industry.<sup>15</sup> We relied on data provided by the petitioner for purposes of measuring industry support.<sup>16</sup>

Our review of the data provided in the Petitions, First General Issues Supplement, Second General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.<sup>17</sup> First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).<sup>18</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.<sup>19</sup> Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.<sup>20</sup> Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.<sup>21</sup>

<sup>15</sup> See Petitions at Volume I (4–5 and Exhibits I–5 and I–18); see also First General Issues Supplement at 4–6 and Exhibits I–Supp–2 and I–Supp–3.

<sup>16</sup> *Id.* For further discussion, see Attachment II of the China and Mexico AD Initiation Checklists.

<sup>17</sup> See Petitions at Volume I (3–5 and Exhibits I–1 through I–3, I–5, and I–18); see also First General Issues Supplemental Response at 4–8 and Exhibits I–Supp–2 through I–Supp–4. For further discussion, see Attachment II of the China and Mexico AD Initiation Checklists.

<sup>18</sup> See Attachment II of the China and Mexico AD Initiation Checklists; see also section 732(c)(4)(D) of the Act.

<sup>19</sup> See Attachment II of the China and Mexico AD Initiation Checklists.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

### Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at LTFV. In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>22</sup>

The petitioner contends that the industry's injured condition is illustrated by a significant volume of subject imports; reduced market share; underselling and price depression and/or suppression; lost sales and revenues; declines in production, U.S. shipments, and capacity utilization; decline in employment; decline in financial performance, and the magnitude of the estimated dumping margins.<sup>23</sup> We assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as negligibility, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.<sup>24</sup>

### Allegations of Sales at LTFV

The following is a description of the allegations of sales at LTFV upon which Commerce based its decision to initiate AD investigations of imports of freight rail couplers from China and Mexico. The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the China and Mexico AD Initiation Checklists.

### U.S. Price

For China and Mexico, the petitioner based export price (EP), on pricing information for sales of, or sales offers for, freight rail couplers produced in and exported from each country. The petitioner made certain adjustments to U.S. price to calculate a net ex-factory U.S. price, where appropriate.<sup>25</sup>

<sup>22</sup> See Petitions at Volume I (34 and Exhibit I-34).

<sup>23</sup> See Petitions at Volume I (16-17, 24-57, and Exhibits I-3, I-4, I-15 through I-18, and I-21 through I-63); see also First General Issues Supplement at 9-12 and Exhibits I-Supp-5 through I-Supp-7.

<sup>24</sup> See China and Mexico AD Initiation Checklists at Attachment III (Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China and Mexico).

<sup>25</sup> See China and Mexico AD Initiation Checklists.

### Normal Value<sup>26</sup>

For Mexico, the petitioner stated that it was unable to obtain home market or third country prices for freight rail couplers to use as a basis for NV.<sup>27</sup> Therefore, for Mexico, the petitioner calculated NV based on CV.<sup>28</sup> For further discussion of CV, see the section "Normal Value Based on Constructed Value."

Commerce considers China to be an NME country.<sup>29</sup> In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by Commerce. Therefore, we continue to treat China as an NME country for purposes of the initiation of this investigation. Accordingly, NV in China is appropriately based on FOPs valued in a surrogate market economy country, in accordance with section 773(c) of the Act.

The petitioner claims that the Republic of Turkey (Turkey) is an appropriate surrogate country for China because Turkey is a market economy country that is at a level of economic development comparable to that of China and is a significant producer of comparable merchandise.<sup>30</sup> The petitioner provided publicly available information from Turkey to value all FOPs.<sup>31</sup> Based on the information provided by the petitioner, we determine that it is appropriate to use Turkey as a surrogate country for initiation purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

<sup>26</sup> In accordance with section 773(b)(2) of the Act, for the Mexico investigation, Commerce will request information necessary to calculate the constructed value (CV) and COP to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product.

<sup>27</sup> See Mexico AD Initiation Checklist.

<sup>28</sup> *Id.*

<sup>29</sup> See, e.g., *Antidumping Duty Investigation of Certain Aluminum Foil from the People's Republic of China: Affirmative Preliminary Determination of Sales at Less-Than-Fair Value and Postponement of Final Determination*, 82 FR 50858, 50861 (November 2, 2017), and accompanying Preliminary Decision Memorandum, at "China's Status as a Non-Market Economy," unchanged in *Certain Aluminum Foil from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 9282 (March 5, 2018).

<sup>30</sup> See Petitions at Volume II (8-9).

<sup>31</sup> *Id.*

### Factors of Production

The petitioner used the product-specific consumption rates of a U.S. producer of freight rail couplers as a surrogate to value the Chinese manufacturer's FOPs.<sup>32</sup> Additionally, the petitioner calculated factory overhead, selling, general and administrative (SG&A) expenses, and profit based on the experience of a Turkish producer of comparable merchandise (*i.e.*, iron-casted products used in automotive, agricultural, construction, mining, and machine building applications).<sup>33</sup>

### Normal Value Based on Constructed Value

As noted above, for Mexico, the petitioner stated it was unable to obtain home market or third-country prices for freight rail couplers to use as a basis for NV. Therefore, the petitioner calculated NV based on CV.<sup>34</sup>

Pursuant to section 773(e) of the Act, the petitioner calculated CV as the sum of the cost of manufacturing (COM), SG&A expenses, financial expenses, and profit.<sup>35</sup> In calculating the COM, the petitioner relied on the production experience and input consumption rates of a U.S. freight rail couplers producer, valued using publicly available information applicable to Mexico.<sup>36</sup> In calculating SG&A expenses, financial expenses, and profit ratios (where applicable), the petitioner relied on the fiscal year 2021 financial statements of a producer of comparable merchandise (*i.e.*, iron-casted parts used in the automotive industry) in Mexico.<sup>37</sup>

### Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of freight rail couplers from China and Mexico are being, or are likely to be, sold in the United States at LTFV. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for freight rail couplers for each of the countries covered by this initiation are as follows: (1) China—67.45 and 169.90 percent *ad valorem*;<sup>38</sup> and (2) Mexico—160.05 and 187.08 percent *ad valorem*.<sup>39</sup>

<sup>32</sup> *Id.* at 10 and Exhibit II-13.

<sup>33</sup> *Id.* at 17 and Exhibit II-27.

<sup>34</sup> See Mexico AD Initiation Checklist.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> See China AD Initiation Checklist for details of the calculations.

<sup>39</sup> See Mexico AD Initiation Checklist for details of the calculations.

### Initiation of LTFV Investigations

Based upon the examination of the Petitions and supplemental responses, we find that they meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of freight rail couplers from China and Mexico are being, or are likely to be, sold in the United States at LTFV. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

### Respondent Selection

#### China

In the Petitions, the petitioner named twelve companies in China as producers and/or exporters of freight rail couplers.<sup>40</sup> In accordance with our standard practice for respondent selection in AD investigations involving NME countries, Commerce selects respondents based on quantity and value (Q&V) questionnaires in cases where it has determined that the number of companies is large and it cannot individually examine each company based upon its resources. Therefore, considering the number of producers and exporters identified in the Petition, Commerce will solicit Q&V information that can serve as a basis for selecting exporters for individual examination in the event that Commerce decides to limit the number of respondents individually examined pursuant to section 777A(c)(2) of the Act. Because there are twelve producers and/or exporters identified in the Petition, Commerce intends to issue Q&V questionnaires to each potential respondent for which the petitioner has provided a complete address.

In addition, Commerce will post the Q&V questionnaire along with filing instructions on E&C's website at <https://access.trade.gov/Resources/questionnaires/questionnaires-ad.html>. Producers/exporters of freight rail couplers from China that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from E&C's website. In accordance with the standard practice for respondent selection in AD cases involving NME countries, in the event Commerce decides to limit the number of respondents individually investigated, Commerce intends to base respondent selection on the responses to the Q&V questionnaire that it receives.

Responses to the Q&V questionnaire must be submitted by the relevant Chinese producers/exporters no later than 5:00 p.m. ET on November 1, 2022, which is two weeks from the signature date of this notice. All Q&V questionnaire responses must be filed electronically via ACCESS. An electronically filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the deadline noted above.

Interested parties must submit applications for disclosure under administrative protective order (APO) in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on E&C's website at <https://www.trade.gov/administrative-protective-orders>.

#### Mexico

In the Petitions, the petitioner identified one company as a producer/exporter of freight rail couplers in Mexico, ASF-K de Mexico, S.de R.L. de C.V. Sahagun (Amsted), and provided independent third-party information as support.<sup>41</sup> We currently know of no additional producers/exporters of subject merchandise from Mexico. Accordingly, Commerce intends to examine all known producers/exporters in this investigation (*i.e.*, Amsted).

We invite interested parties to comment on this issue. Such comments may include factual information within the meaning of 19 CFR 351.102(b)(21). Parties wishing to comment must do so within three days of the publication of this notice in the **Federal Register**. Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully in its entirety via ACCESS by 5:00 p.m. ET on the specified deadline. Because we intend to examine all known producers in Mexico, if no comments are received or if comments received further support the existence of this sole producer/exporter in Mexico, we do not intend to conduct respondent selection and will proceed to issuing the initial AD questionnaire to Amsted. However, if comments are received which create a need for a respondent selection process, we intend to finalize our decisions regarding respondent selection within 20 days of publication of this notice.

### Separate Rates

In order to obtain separate rate status in an NME investigation, exporters and producers must submit a separate rate

application.<sup>42</sup> The specific requirements for submitting a separate rate application in a China investigation are outlined in detail in the application itself, which is available on Commerce's website at <https://access.trade.gov/Resources/nme/nme-sep-rate.html>. The separate rate application will be due 30 days after publication of this initiation notice.<sup>43</sup> Exporters and producers who submit a separate rate application and have been selected as mandatory respondents will be eligible for consideration for separate rate status only if they respond to all parts of Commerce's AD questionnaire as mandatory respondents. Commerce requires that companies from China submit a response both to the Q&V questionnaire and the separate rate application by the respective deadlines in order to receive consideration for separate rate status. Companies not filing a timely Q&V questionnaire response will not receive separate rate consideration.

### Use of Combination Rates

Commerce will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. Policy Bulletin 05.1 states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that {Commerce} will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>44</sup>

### Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR

<sup>42</sup> See E&C's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving NME Countries," (April 5, 2005) (Policy Bulletin 05.1), available at <https://enforcement.trade.gov/policy/bull05-1.pdf>.

<sup>43</sup> Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

<sup>44</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

<sup>40</sup> See Petitions at Volume I (12 and Exhibit I-13).

<sup>41</sup> See Petitions at Volume I (Exhibits I-3 and I-14) and Volume IV (Exhibit IV-3); see also Second General Issues Supplement at 3 and Exhibit I-Supp2-5.

351.202(f), copies of the public version of the Petitions have been provided to the governments of China and Mexico via ACCESS. Furthermore, to the extent practicable, Commerce will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

#### ITC Notification

Commerce will notify the ITC of its initiation, as required by section 732(d) of the Act.

#### Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of freight rail couplers from China and/or Mexico are materially injuring, or threatening material injury to, a U.S. industry.<sup>45</sup> A negative ITC determination for any country will result in the investigation being terminated with respect to that country.<sup>46</sup> Otherwise, these investigations will proceed according to statutory and regulatory time limits.

#### Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). Section 351.301(b) of Commerce's regulations requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted<sup>47</sup> and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.<sup>48</sup> Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to

submitting factual information in these investigations.

#### Particular Market Situation Allegation

Section 773(e) of the Act addresses the concept of particular market situation (PMS) for purposes of CV, stating that “if a particular market situation exists such that the cost of materials and fabrication or other processing of any kind does not accurately reflect the COP in the ordinary course of trade, the administering authority may use another calculation methodology under this subtitle or any other calculation methodology.” When an interested party submits a PMS allegation pursuant to section 773(e) of the Act, Commerce will respond to such a submission consistent with 19 CFR 351.301(c)(2)(v). If Commerce finds that a PMS exists under section 773(e) of the Act, then it will modify its dumping calculations appropriately.

Neither section 773(e) of the Act, nor 19 CFR 351.301(c)(2)(v), set a deadline for the submission of PMS allegations and supporting factual information. However, in order to administer section 773(e) of the Act, Commerce must receive PMS allegations and supporting factual information with enough time to consider the submission. Thus, should an interested party wish to submit a PMS allegation and supporting new factual information pursuant to section 773(e) of the Act, it must do so no later than 20 days after submission of a respondent's initial section D questionnaire response.

#### Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by Commerce. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301.<sup>49</sup> For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, standalone

submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review Commerce's regulations concerning the extension of time limits and the *Time Limits Final Rule* prior to submitting factual information in these investigations.<sup>50</sup>

#### Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.<sup>51</sup> Parties must use the certification formats provided in 19 CFR 351.303(g).<sup>52</sup> Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

#### Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Parties wishing to participate in these investigations should ensure that they meet the requirements of 19 CFR 351.103(d) (e.g., by filing the required letter of appearance).<sup>53</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>54</sup>

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: October 18, 2022.

**Lisa W. Wang,**

*Assistant Secretary for Enforcement and Compliance.*

#### Appendix

##### Scope of the Investigations

The scope of these investigations covers certain freight railcar couplers (also known as “fits” or “assemblies”) and parts thereof. Freight railcar couplers are composed of two main parts, namely knuckles and coupler

<sup>50</sup> See 19 CFR 351; see also *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013) (*Time Limits Final Rule*), available at <https://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>.

<sup>51</sup> See section 782(b) of the Act.

<sup>52</sup> See *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at [https://enforcement.trade.gov/tlei/notices/factual\\_info\\_final\\_rule\\_FAQ\\_07172013.pdf](https://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf).

<sup>53</sup> See *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008).

<sup>54</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

<sup>45</sup> See section 733(a) of the Act.

<sup>46</sup> *Id.*

<sup>47</sup> See 19 CFR 351.301(b).

<sup>48</sup> See 19 CFR 351.301(b)(2).

<sup>49</sup> See 19 CFR 351.302.

bodies but may also include other items (e.g., coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors). The parts of couplers that are covered by the investigations include: (1) E coupler bodies, (2) E/F coupler bodies, (3) F coupler bodies, (4) E knuckles, and (5) F knuckles, as set forth by the Association of American Railroads (AAR). The freight rail coupler parts (i.e., knuckles and coupler bodies) are included within the scope of the investigations when imported separately. Coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors are covered merchandise when imported in an assembly but are not covered by the scope when imported separately.

Subject freight railcar couplers and parts are included within the scope whether finished or unfinished, whether imported individually or with other subject or nonsubject parts, whether assembled or unassembled, whether mounted or unmounted, or if joined with nonsubject merchandise, such as other nonsubject parts or a completed railcar. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various parts. When a subject coupler or subject parts are mounted on or to other nonsubject merchandise, such as a railcar, only the coupler or subject parts are covered by the scope.

The finished products covered by the scope of these investigations meet or exceed the AAR specifications of M-211, "Foundry and Product Approval Requirements for the Manufacture of Couplers, Coupler Yokes, Knuckles, Follower Blocks, and Coupler Parts" and/or AAR M-215 "Coupling Systems," or other equivalent domestic or international standards (including any revisions to the standard(s)).

The country of origin for subject couplers and parts thereof, whether fully assembled, unfinished or finished, or attached to a railcar, is the country where the subject coupler parts were cast or forged. Subject merchandise includes coupler parts as defined above that have been further processed or further assembled, including those coupler parts attached to a railcar in third countries. Further processing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, painting, coating, priming, machining, and assembly of various parts. The inclusion, attachment, joining, or assembly of nonsubject parts with subject parts or couplers either in the country of manufacture of the in-scope product or in a third country does not remove the subject parts or couplers from the scope.

The couplers that are the subject of these investigations are currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8607.30.1000. Unfinished subject merchandise may also enter under HTSUS statistical reporting number 7326.90.8688. Subject merchandise attached to finished railcars may also enter under HTSUS statistical reporting numbers 8606.10.0000, 8606.30.0000, 8606.91.0000, 8606.92.0000, 8606.99.0130, 8606.99.0160, or under

subheading 9803.00.5000 if imported as an Instrument of International Traffic. Subject merchandise may also be imported under HTSUS statistical reporting number 7325.99.5000. These HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of these investigations is dispositive. [FR Doc. 2022-23136 Filed 10-24-22; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-469-815]**

**Finished Carbon Steel Flanges From Spain: Final Results of Administrative Review; 2020-2021**

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

**SUMMARY:** The U.S. Department of Commerce (Commerce) determines that sales of finished carbon steel flanges (flanges) from Spain were made at less than normal value (NV) during the period of review (POR) June 1, 2020, through May 31, 2021.

**DATES:** Applicable October 25, 2022.

**FOR FURTHER INFORMATION CONTACT:** Carolyn Adie or Mark Flessner, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-6250 or (202) 482-6312, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On July 7, 2022, Commerce published the *Preliminary Results* and invited interested parties to comment.<sup>1</sup> On August 8, 2022, ULMA Forja, S.Coop (ULMA) submitted its case brief.<sup>2</sup> No other interested party filed a case or rebuttal brief. These final results cover eight companies for which an administrative review was initiated and not rescinded. Commerce conducted this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act).

<sup>1</sup> See *Finished Carbon Steel Flanges from Spain: Preliminary Results of Antidumping Duty Administrative Review; 2020-2021*, 87 FR 40496 (July 7, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See ULMA's Letter, "ULMA Forja, S. Coop's Case Brief Finished Carbon Steel Flanges from Spain, POR 4," dated August 8, 2022.

**Scope of the Order**<sup>3</sup>

The scope of the *Order* covers finished carbon steel flanges from Spain. For full description of the scope of the *Order*, see the Issues and Decision Memorandum.<sup>4</sup>

**Analysis of Comments Received**

All issues raised in the case brief filed by parties in this review are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is included in the appendix to this notice. 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 <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

**Changes Since the Preliminary Results**

Based on our analysis of the comments received, and for the reasons explained in the Issues and Decision Memorandum, we made one change to the preliminary weighted-average margin calculations for ULMA and the non-examined companies.<sup>5</sup>

**Final Results of Administrative Review**

For these final results, we determine that the following weighted-average dumping margins exist for the period June 1, 2020, through May 31, 2021:

Producer/exporter	Weighted-average dumping margin (percent)
ULMA Forja, S.Coop .....	7.17
<b>Rate Applicable to the Non-Selected Companies</b>	
Aleaciones De Metales Sinterizados S.A .....	7.17
Central Y Almacenes .....	7.17
Farina Group Spain .....	7.17
Friedrich Geldbach GmbH ....	7.17
Grupo Cunado .....	7.17
Transglory S.A .....	7.17

<sup>3</sup> See *Finished Carbon Steel Flanges from Spain: Antidumping Duty Order*, 82 FR 27229 (June 14, 2017) (*Order*).

<sup>4</sup> See Memorandum, "Finished Carbon Steel Flanges from Spain: Issues and Decision Memorandum for Final Results of Antidumping Duty Administrative Review; 2020-2021," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>5</sup> *Id.*