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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-865]

Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products From the People's Republic of China

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

ACTION: Notice of final determination of sales at less than fair value.

EFFECTIVE DATE: September 28, 2001.

FOR FURTHER INFORMATION CONTACT: Carrie Blozy, Catherine Bertrand, Doreen Chen, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue N.W., Washington, DC 20230; telephone: (202) 482-0165, 482-3207, 482-0193 respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act. In addition, unless otherwise indicated, all citations to the Department's regulations are to the regulations at 19 CFR part 351 (2001).

Final Determination

We determine that certain hot-rolled carbon steel flat products from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value ("LTFV"), as provided in section 735 of the Act. The estimated margin of dumping is shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

We published in the **Federal Register** the preliminary determination in this investigation on May 3, 2001. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products from the People's Republic of China*, 66 FR 22183 (May 3, 2001) ("Preliminary Determination"). Since the publication of the *Preliminary Determination*, the following events have occurred.

On April 30, 2001, Angang Group International Trade Co. Ltd., New Iron & Steel Co., Ltd., & Angang Group Hong Kong Co., Ltd., ("Angang") requested that the Department correct ministerial errors found in Angang's margin calculation. On May 16, 2001, the Department determined that, although there were certain ministerial errors, they did not meet the definition of significant ministerial error within the meaning of 19 CFR 351.224(g)(1). As a result, at that time we did not make the suggested corrections. However, we have made the adjustment for these three errors in this final determination.

On May 22, 2001, petitioners submitted a request for a public hearing in accordance with 19 CFR 351.310(c). On August 10, 2001, petitioners withdrew their request for a hearing. Because petitioners were the only party to request a hearing, and because it was withdrawn in a timely manner, the Department did not conduct a hearing. On May 14-18, 2001, the Department conducted a verification of Shanghai Baosteel Group Corporation ("Baosteel Group"). On May 21-25, 2001, the Department conducted a verification of Angang. On May 28-31, 2001, the Department conducted verification of Benxi Iron & Steel Group International Economic & Trade Co., Ltd., Bengang Steel Plates Co., Ltd. and Benxi Iron & Steel Group Co., Ltd., ("Benxi").

On June 19, 2001, Angang and Benxi placed on the record public information for the purpose of providing the Department with additional information that can be used in valuing the factors of production. Also on June 19, 2001, petitioners placed on the record public information for the purpose of providing the Department with additional information that can be used in valuing the factors of production.

On July 27, 2001, petitioners submitted their case brief with respect to the sales and factors of production verification and the Department's *Preliminary Determination*. On July 27, 2001, respondent Baosteel Group submitted its case brief with respect to the sales and factors of production verification and the Department's

preliminary determination. On August 6, 2001, Angang and Benxi submitted their case briefs with respect to the sales and factors of production verification and the Department's preliminary determination. On August 8, 2001, petitioners and respondents submitted rebuttal briefs with respect to the sales and factors of production verification and the Department's Preliminary Determination.

Although the deadline for this determination was originally September 17, 2001, in light of the events of September 11, 2001 and the subsequent closure of the Federal Government for reasons of security, the timeframe for issuing this determination has been extended by four days.

Period of Investigation

The period of investigation is April 1, 2000 through September 30, 2000.

Non-Market Economy

The Department has treated the PRC as a non-market economy (NME) country in all its past antidumping investigations. *See, e.g., Final Determination of Sales at Less Than Fair Value: Bulk Aspirin From the People's Republic of China*, 65 FR 33805 (May 25, 2000), and *Final Determination of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars From the People's Republic of China*, 66 FR 33522 (June 22, 2001). A designation as an NME country remains in effect until it is revoked by the Department. *See* section 771(18)(C) of the Act. The respondents in this investigation have not requested a revocation of the PRC's NME status. We have continued to treat the PRC as an NME in this investigation. For further discussion, see Department's Preliminary Determination.

Separate Rates

In our Preliminary Determination, we found that the respondents had met the criteria for the application of separate antidumping duty rates. On July 10, 2001, the Department placed on the record of this case information from the World Steel Forum, 2001, OECD/China Workshop on Steel Market, Trade and Structural Adjustment, held in Shanghai, China on May 10-11, 2001. We gave parties until July 20, 2001, to submit factual information to rebut, support, clarify, or correct the new factual information placed on the record by the Department. We extended this deadline until July 24, 2001, at the request of respondent Baosteel Group. On July 24, 2001, we received responses from Angang, Baosteel Group, Benxi, and the petitioners. On July 26 and August 3, 2001, Baosteel Group

submitted additional information to "rebut, clarify, or correct" the information submitted by petitioners. For a complete discussion of the Department's determination that the respondents are entitled to separate rates, see *Decision Memorandum*.

The PRC-Wide Rate

For the reasons set forth in the Preliminary Determination, we continue to find that the use of adverse facts available for the PRC-wide rate is appropriate. See *Preliminary Determination*, 66 FR 22183. Consistent with our Preliminary Determination, as adverse facts available, we have used the highest rate calculated for a respondent, i.e., the rate calculated for Benxi. We note that this rate is higher than the adjusted margin of dumping calculated from the petition (69.08 percent). For recalculation of petition margin, see *Memorandum to the File: Recalculation of Petition Margin in the Antidumping Duty Investigation of Hot-Rolled Steel from the People's Republic of China*, September 21, 2001.

Surrogate Country

For purposes of the final determination, we continue to find that India is the appropriate primary surrogate country. For further discussion and analysis regarding the surrogate country selection, see Department's Preliminary Determination.

Use of Facts Available

For the reasons set forth in the Preliminary Determination, we have continued to apply facts available to certain aspects of Angang's and Benxi's analysis. See *Preliminary Determination*, 66 FR 22189. For a discussion of our application of facts available, see *Final Analysis Memorandum for Angang* at page 3 and *Final Analysis Memorandum for Benxi* at page 4. Specifically, for Angang and Benxi, we used facts available for the freight charge for certain inputs because freight distance was not provided by the respondents. *Id.* at 3 and 4.

Analysis of Comments Received

All issues raised in the case brief by parties to this investigation are addressed in the *Decision Memorandum*, which is hereby adopted by this notice. A list of the issues which parties raised, and to which we have responded, all of which are in the *Decision Memorandum*, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this

public memorandum, which is on file in B-099. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the World Wide Web at <http://ia.ita.doc.gov/frn/>. The paper copy and electronic version of the *Decision Memorandum* are identical in content.

Changes Since the Preliminary Determination

Based on our findings at verification, and analysis of comments received, we have made adjustments to the calculation methodology in calculating the final dumping margin in this proceeding. See *Final Analysis Memorandum for Angang*; *Final Analysis Memorandum for Baosteel Group*; and *Final Analysis Memorandum for Benxi*.

Verification

As provided in section 782(i) of the Act, we verified the information submitted by each respondent for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondents. For changes from the Preliminary Determination as a result of verification, see *Final Analysis Memorandum for Angang*; *Final Analysis Memorandum for Baosteel Group*; and *Final Analysis Memorandum for Benxi*.

Scope of Investigation

For purposes of this investigation, the products covered are certain hot-rolled carbon steel flat 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 of 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 4.0 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 investigation.

Specifically included within the scope of this investigation 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 or niobium (also commonly referred to as columbium), or both, added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, 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 investigation, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products in which: (i) Iron predominates, by weight, over each of the other contained elements; (ii) the carbon content is 2 percent or less, by weight; and (iii) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

1.80 percent of manganese, or
2.25 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
0.10 percent of molybdenum, or
0.10 percent of niobium, or
0.15 percent of vanadium, or
0.15 percent of zirconium.

ea vacuum All products that meet the physical and chemical description provided above are within the scope of this investigation unless otherwise excluded. The following products, for example, are outside or specifically excluded from the scope of this investigation:

- Alloy hot-rolled steel products in which at least one of the chemical elements exceeds those listed above (including, e.g., American Society for Testing and Materials (ASTM) specifications A543, A387, A514, A517, A506).
- Society of Automotive Engineers (SAE)/American Iron & Steel Institute (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 2.25 percent.
- ASTM specifications A710 and A736.
- USS abrasion-resistant steels (USS AR 400, USS AR 500).
- All products (proprietary or otherwise) based on an alloy ASTM

specification (sample specifications: ASTM A506, A507).

- Non-rectangular shapes, not in coils, which are the result of having been processed by cutting or stamping and which have assumed the character of articles or products classified outside chapter 72 of the HTSUS.

The merchandise subject to this investigation 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, 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, and 7211.19.75.90. Certain hot-rolled carbon steel flat products covered by this investigation, 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 7226.99.00.00. Subject merchandise may also enter under 7210.70.30.00, 7210.90.90.00, 7211.14.00.30, 7212.40.10.00, 7212.40.50.00, and 7212.50.00.00. Although the HTSUS subheadings are provided for convenience and U.S. Customs purposes, the written description of the merchandise under investigation is dispositive.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of subject merchandise from the PRC, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the *Preliminary Determination* in the **Federal Register**. The Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown below. This suspension of liquidation

instructions will remain in effect until further notice.

The weighted-average dumping margins are as follows:

Manufacturer/exporter	Weighted-average margin (percent)
Angang Group International Trade Corporation	69.85
Shanghai Baosteel Group Corporation	64.20
Benxi Iron & Steel Group Co., Ltd.	90.83
Panzhuhua Iron & Steel (Group) Company	65.59
Wuhan Iron & Steel Group Corporation	65.59
PRC-Wide	90.83

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our determination. As our final determination is affirmative, the ITC will, within 45 days, determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: September 21, 2001.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

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DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-828]

Welded Large Diameter Line Pipe From Mexico: Postponement of Final Determination of Antidumping Duty Investigation

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

ACTION: Notice of postponement of final determination of antidumping duty investigation.

EFFECTIVE DATE: September 28, 2001.

FOR FURTHER INFORMATION CONTACT: Rick Johnson at (202) 482-3818; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Statutory Time Limits

Section 735(a)(1) of the Tariff Act of 1930, as amended (the Act), requires the Department of Commerce (the Department) to issue the final determination of an antidumping duty investigation within 75 days of the date of the preliminary determination. However, if a request is made in writing by exporters who account for a significant proportion of exports of the merchandise which is the subject of the investigation, in a proceeding in which the preliminary determination by the administering authority under section 733(b) was affirmative, section 735(a)(2) of the Act allows the Department to postpone the final determination until