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DEPARTMENT OF COMMERCE
International Trade Administration

Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From the Czech Republic, the Republic of Korea, the Russian Federation, and Ukraine: Initiation of Less-Than-Fair-Value Investigations

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


FOR FURTHER INFORMATION CONTACT: Allison Hollander at (202) 482–2805 (the Czech Republic); Joshua DeMoss at (202) 482–3362 (the Republic of Korea (Korea)); Kathryn Turlo at (202) 482–3870 (the Russian Federation (Russia)); Zachary Shaykin at (202) 482–2638 (Ukraine); 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 July 8, 2020, the Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of seamless carbon and alloy steel standard, line, and pressure pipe (seamless pipe) from the Czech Republic, Korea, Russia, and Ukraine filed in proper form on behalf of the Vallourec Star, LP (the petitioner), a domestic producer of seamless pipe.1 The Petitions were accompanied by a countervailing duty (CVD) petitions concerning imports of seamless pipe from Korea and Russia.2

On July 13 and 17, 2020, Commerce requested supplemental information pertaining to certain aspects of the Petitions in separate supplemental questionnaires.4 The petitioner filed responses to the supplemental questionnaires on July 15 and 21, 2020.4 In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of seamless pipe from the Czech Republic, Korea, Russia, and Ukraine 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 seamless pipe industry in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its 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)(C) of the Act. Commerce also finds that the petitioner demonstrated sufficient industry support for the initiation of the requested LTFV investigations.5

Periods of Investigation

Because the Petitions were filed on July 8, 2020, the periods of investigation (POI) for these LTFV investigations is July 1, 2019 through June 30, 2020, pursuant to 19 CFR 351.204(b)(1).6

Scope of the Investigations

The products covered by these investigations are seamless pipe from the Czech Republic, Korea, Russia, and Ukraine. For a full description of the scope of these investigations, see the appendix to this notice.

Comments on the Scope of the Investigations

On July 13, 2020, Commerce requested further information from the petitioner regarding the proposed scope

electronically filed document must be received successfully in its entirety by the time and date on which it is due.

**Comments on Product Characteristics**

Commerce is providing interested parties an opportunity to comment on the appropriate physical characteristics of seamless pipe 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 costs of production 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 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 seamless pipe, 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 August 17, 2020, which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on August 27, 2020. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the record of each of the LTFV 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 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, 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.

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. Based on our analysis of the information submitted on the record, we have determined that seamless pipe, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.

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 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 shipments of the domestic like product in 2019, as well as the shipments of United States Steel Corporation, a supporter of the Petitions, and compared this to the estimated total shipments of the domestic like product for the entire domestic industry. Because total industry production data for the domestic like product for 2019 are not reasonably available to the petitioner, and the petitioner has established that shipments are a reasonable proxy for production data, we have relied on the data provided by the petitioner for purposes of measuring industry support.

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions. 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).\textsuperscript{20} 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.\textsuperscript{21} 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.\textsuperscript{22} 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.\textsuperscript{23}

\subsection*{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.\textsuperscript{24}

The petitioner contends that the industry’s injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; declines in production, shipments, capacity utilization, and employment; and declining financial performance.\textsuperscript{25} 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.\textsuperscript{26}

\subsection*{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 these LTFV investigations of imports of seamless pipe from the Czech Republic, Korea, Russia, and Ukraine. 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 country-specific AD Initiation Checklists.

\subsubsection*{U.S. Price}

For the Czech Republic, Korea, Russia, and Ukraine, the petitioner based export price (EP) on the average unit values of publicly available import data. The petitioner made certain adjustments to U.S. price to calculate a net ex-factory U.S. price.\textsuperscript{27}

\subsubsection*{Normal Value \textsuperscript{28}}

For the Czech Republic, Russia, and Ukraine, the petitioner calculated NV based on a home market price quote obtained through market research for seamless pipe produced in and sold, or offered for sale, in each country within the applicable time period.\textsuperscript{29} For Russia, the information provided by the petitioner indicates that the home market price quote was below the COP; therefore, the petitioner also calculated NV based on constructed value (CV).\textsuperscript{30} For Korea, the petitioner stated it was unable to obtain home market or third country prices to use as a basis for NV, and, therefore, the petitioner calculated NV based on CV.\textsuperscript{31}

For further discussion of CV, see the section “Normal Value Based on Constructed Value.”

\subsubsection*{Normal Value Based on Constructed Value}

As noted above, the information provided by the petitioner indicates that the price charged for seamless pipe produced in and sold, or offered for sale, in Russia was below the COP. Accordingly, for Russia, the petitioner also based NV on CV.\textsuperscript{32} Additionally, the petitioner was not able to obtain home market prices or third country prices in Korea. Accordingly, for Korea, the petitioner based NV on CV.\textsuperscript{33}

Pursuant to section 773(e) of the Act, the petitioner calculated CV as the sum of the cost of manufacturing, selling, general, and administrative expenses, financial expenses, and profit.\textsuperscript{34}

\subsubsection*{Fair Value Comparisons}

Based on the data provided by the petitioner, there is reason to believe that imports of seamless pipe from the Czech Republic, Korea, Russia, and Ukraine are being, or are likely to be, sold in the United States at LTFV. Based on the petitions of EP to NV or CV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for seamless pipe for each of the countries covered by this initiation are as follows: (1) The Czech Republic—50.45 and 51.70 percent; (2) Korea—114.80 to 131.31 percent; (3) Russia—41.07 to 273.47 percent; and (4) Ukraine—42.38 and 42.88 percent.\textsuperscript{35}

\subsubsection*{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 these LTFV investigations to determine whether imports of seamless pipe from the Czech Republic, Korea, Russia, and Ukraine 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.

\subsection*{Respondent Selection}

In the Petitions, the petitioner named three companies in the Czech Republic, three companies in Korea, and two companies in Russia\textsuperscript{36} as producers and/or exporters of seamless pipe.

Following standard practice in LTFV investigations involving market economy countries, in the event Commerce determines that the number of exporters or producers in any individual case is large such that Commerce cannot individually examine each company based on its own records, where appropriate, Commerce intends to select mandatory respondents in that case based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate Harmonized Tariff Schedule of the United States numbers listed in the “Scope of the Investigations,” in the appendix.
On July 21, 2020, Commerce released CBP data on imports of seamless pipe from the Czech Republic, Korea, and Russia under Administrative Protective Order (APO) to all parties with access to information protected by APO and indicated that interested parties wishing to comment on the CBP data must do so within three business days of the publication date of the notice of initiation of these investigations.\(^37\) Commerce will not accept rebuttal comments regarding the CBP data or respondent selection.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on Commerce’s website at https://enforcement.trade.gov/apo.

The petitioner identified one company in Ukraine as the producer and/or exporter of seamless pipe (i.e., Interpipe NTRP), and provided independent third-party information as support.\(^38\) We currently know of no additional producers or exporters of seamless pipe from Ukraine. Accordingly, Commerce intends to individually examine all known producers and exporters in the investigation of seamless pipe from Ukraine (i.e., Interpipe NTRP).

Parties wishing to comment on respondent selection for Ukraine must do so within three business days of the publication of this notice in the Federal Register. Commerce will not accept rebuttal comments regarding respondent selection for Ukraine.

Comments on CBP data and respondent selection 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.

Distribution of Copies of the AD Petitions
In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the AD Petitions have been provided to the governments of the Czech Republic, Korea, Russia, and Ukraine via ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the AD Petitions to each exporter named in the AD Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification
We will notify the ITC of our 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 AD Petitions were filed, whether there is a reasonable indication that imports of seamless pipe from the Czech Republic, Korea, Russia, and/or Ukraine are materially injurious, or threatening material injury to, a U.S. industry.\(^39\) A negative ITC determination for any country will result in the investigation being terminated with respect to that country.\(^40\) Otherwise, these LTFV 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)(2) the information is being submitted\(^41\) 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.\(^42\) 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 cost of production 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. 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, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review Extension of Time Limits: Final Rule, 76 FR 57790 (September 20, 2013), available at http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm, prior to


\(^{38}\) See Volume I of the Petitions at Exhibit I–9; see also Volume VII of the Petitions at Exhibit VII–3; see also Ukraine Supplement at 7.

\(^{39}\) See see section 733(a) of the Act.

\(^{40}\) Id.

\(^{41}\) See 19 CFR 351.301(b).

\(^{42}\) See 19 CFR 351.301(b)(2).
submitting factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information. Parties must use the certification formats provided in 19 CFR 351.303(g). 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. On January 22, 2008, Commerce published Antidumping and Countervailing Duty Procedures: Documents Submission Procedures; APO Procedures, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures, e.g., the filing of letters of appearance as discussed at 19 CFR 351.103(d). Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.

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


Jeffrey I. Kessler,
Assistant Secretary for Enforcement and Compliance.

Appendix

Scope of the Investigations

The merchandise covered by the scope of these investigations is seamless carbon and alloy steel (other than stainless steel) pipes and redraw hollows, less than or equal to 16 inches (406.4 mm) in nominal outside diameter, regardless of wall-thickness, manufacturing process (e.g., hot-finished or cold-drawn), end finish (e.g., plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish (e.g., bare, lacquered or coated). Redraw hollows are any unfinished carbon or alloy steel (other than stainless steel) pipe or “hollow profiles” suitable for cold finishing operations, such as cold drawing, to meet the American Society for Testing and Materials (ASTM) or American Petroleum Institute (API) specifications referenced below, or comparable specifications. Specifically included within the scope are seamless carbon and alloy steel (other than stainless steel) standard, line, and pressure pipes produced to the ASTM A–53, ASTM A–106, ASTM A–333, ASTM A–334, ASTM A–589, ASTM A–795, ASTM A–1024, and the API 5L specifications, or comparable specifications, and meeting the physical parameters described above, regardless of application, with the exception of the exclusions discussed below.

Specifically excluded from the scope of the investigations are: (1) All pipes meeting aerospace, hydraulic, and bearing tubing specifications, including pipe produced to the ASTM A–822 standard; (2) all pipes meeting the chemical requirements of ASTM A–335, whether finished or unfinished; and (3) unattached couplings. Also excluded from the scope of the investigations are all mechanical, boiler, condenser and heat exchange tubing, except when such products conform to the dimensional requirements, i.e., outside diameter and wall thickness, of ASTM A–53, ASTM A–106 or API 5L specifications.


[FR Doc. 2020–16911 Filed 8–3–20; 8:45 am]

DEPARTMENT OF COMMERCE

International Trade Administration

Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Review

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

Background

Every five years, pursuant to the Tariff Act of 1930, as amended (the Act), the Department of Commerce (Commerce) and the International Trade Commission automatically initiate and conduct reviews to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 of the Act would likely lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.

Upcoming Sunset Reviews for September 2020

Pursuant to section 751(c) of the Act, the following Sunset Reviews are scheduled for initiation in September 2020 and will appear in that month’s Notice of Initiation of Five-Year Sunset Reviews (Sunset Review).

<table>
<thead>
<tr>
<th>Antidumping Duty Proceedings</th>
<th>Countervailing Duty Proceedings</th>
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<tr>
<td>Boltless Steel Shelving Units Prepackaged from China (A–570–018) (1st Review)</td>
<td>Matthew Renkey, (202) 482–2312.</td>
</tr>
<tr>
<td>Prestressed Concrete Steel Wire Strand from China (A–570–945) (2nd Review)</td>
<td>Matthew Renkey, (202) 482–2312.</td>
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Suspended Investigations

No Sunset Review of suspended investigations is scheduled for initiation in September 2020.


[43] See section 782(b) of the Act.