

Comment 2 Whether the Application of the AFA Standard Is Inconsistent with Article 12.7 of ASCM

Comment 3 Whether the Department's Application of AFA With Respect to Provision of Hot-Rolled Steel by SAIL For LTAR Was Justified

Comment 4 Whether the Department's Application of AFA With Respect to Provision of Land For LTAR Was Justified

Comment 5 Whether the Department Erred in Calculating the Subsidy Rate It Assigned in the Preliminary Determination

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-552-810]

#### Circular Welded Carbon-Quality Steel Pipe From the Socialist Republic of Vietnam: Final Negative Countervailing Duty Determination

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

**SUMMARY:** The Department of Commerce ("the Department") determines that countervailable subsidies are not being provided to producers and exporters of circular welded carbon-quality steel pipe ("circular welded pipe") from the Socialist Republic of Vietnam ("Vietnam").

**DATES:** *Effective Date:* October 22, 2012.

**FOR FURTHER INFORMATION CONTACT:** Christopher Siepmann or Austin Redington, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-7958 or (202) 482-1664, respectively.

#### Petitioners

The petitioners in this investigation are Allied Tube and Conduit, JMC Steel Group, United States Steel Corporation, and Wheatland Tube.

#### Period of Investigation

The period for which we are measuring subsidies, or period of investigation, is January 1, 2010, through December 31, 2010.

#### Case History

The following events have occurred since the *Preliminary Determination*.<sup>1</sup>

<sup>1</sup> See *Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty*

On April 13, 2012, the Department issued supplemental questionnaires to the Government of Vietnam ("GOV"), SeAH Steel VINA Corp. ("SeAH VINA"), and Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. ("Hongyuan"). Timely responses were received on April 20 (Hongyuan), April 27 (Hongyuan), and April 27, and May 7, 2012 (GOV). On May 4, 2012, the Department issued an additional supplemental questionnaire to the GOV, and it received the GOV's response on May 7, 2012.

We received factual information submissions from the GOV and Wheatland Tube, respectively, on May 9 and May 14, 2012. On May 10, 2012, Hongyuan filed corrections to its previously reported data and also submitted additional factual information. On May 14, 2012, SeAH VINA submitted corrections to its previously reported data.

The Department conducted verification of SeAH VINA's, Hongyuan's, and the GOV's questionnaire responses from May 21, to June 1, 2012, and issued verification reports for SeAH VINA and Hongyuan on July 6, 2012, and for the GOV on July 12, 2012.

The GOV, SeAH VINA, Hongyuan, and Wheatland Tube submitted case briefs on August 3, and rebuttal briefs on August 8, 2012. A public hearing was held on September 7, 2012.

#### Scope Comments

We set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of that notice.<sup>2</sup> As described in the *Preliminary Determination*, SeAH VINA filed comments on December 5, 2011, urging the Department to modify the scope description. No further comments on this issue were received.

For the reasons explained in the *Preliminary Determination*, the Department is not adopting SeAH VINA's proposed modification of the scope.

#### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside

*Determination*, 77 FR 19211 (March 30, 2012) ("Preliminary Determination").

<sup>2</sup> See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997), and *Circular Welded Carbon-Quality Steel Pipe From India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 76 FR 72173 (November 22, 2011).

diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International ("ASTM"), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which: (a) Iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none of the elements listed below exceeds the quantity, by weight, as indicated:

- (i) 1.80 percent of manganese;
- (ii) 2.25 percent of silicon;
- (iii) 1.00 percent of copper;
- (iv) 0.50 percent of aluminum;
- (v) 1.25 percent of chromium;
- (vi) 0.30 percent of cobalt;
- (vii) 0.40 percent of lead;
- (viii) 1.25 percent of nickel;
- (ix) 0.30 percent of tungsten;
- (x) 0.15 percent of molybdenum;
- (xi) 0.10 percent of niobium;
- (xii) 0.41 percent of titanium;
- (xiii) 0.15 percent of vanadium;
- (xiv) 0.15 percent of zirconium.

Subject pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications. Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications. These products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute ("API") API-5L specification, is also covered by the scope of this investigation when it meets the physical description set forth above, and also has one or more of the following characteristics: is 32 feet in length or less; is less than 2.0 inches (50mm) in outside diameter; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

The scope of this investigation does not include: (a) Pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn; (b) finished electrical conduit; (c) finished scaffolding<sup>3</sup>; (d) tube and pipe hollows for redrawing; (e) oil country tubular goods produced to API specifications; (f) line pipe produced to only API specifications; and (g) mechanical tubing, whether or not cold-drawn. However, products certified to ASTM mechanical tubing specifications are not excluded as mechanical tubing if they otherwise meet the standard sizes (e.g., outside diameter and wall thickness) of standard, structural, fence and sprinkler pipe. Also, products made to the following outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, would not be excluded from the scope based solely on their being certified to ASTM mechanical tubing specifications:

- 1.315 inch O.D. and 0.035 inch wall thickness (page 20)
- 1.315 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.315 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.315 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.315 inch O.D. and 0.072 inch wall thickness (page 15)
- 1.315 inch O.D. and 0.083 inch wall thickness (page 14)
- 1.315 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.660 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.660 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.660 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.660 inch O.D. and 0.072 inch wall thickness (page 15)
- 1.660 inch O.D. and 0.083 inch wall thickness (page 14)
- 1.660 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.660 inch O.D. and 0.109 inch wall thickness (page 12)
- 1.900 inch O.D. and 0.047 inch wall thickness (page 18)
- 1.900 inch O.D. and 0.055 inch wall thickness (page 17)
- 1.900 inch O.D. and 0.065 inch wall thickness (page 16)
- 1.900 inch O.D. and 0.072 inch wall thickness (page 15)

- 1.900 inch O.D. and 0.095 inch wall thickness (page 13)
- 1.900 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.375 inch O.D. and 0.047 inch wall thickness (page 18)
- 2.375 inch O.D. and 0.055 inch wall thickness (page 17)
- 2.375 inch O.D. and 0.065 inch wall thickness (page 16)
- 2.375 inch O.D. and 0.072 inch wall thickness (page 15)
- 2.375 inch O.D. and 0.095 inch wall thickness (page 13)
- 2.375 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.375 inch O.D. and 0.120 inch wall thickness (page 11)
- 2.875 inch O.D. and 0.109 inch wall thickness (page 12)
- 2.875 inch O.D. and 0.134 inch wall thickness (page 10)
- 2.875 inch O.D. and 0.165 inch wall thickness (page 8)
- 3.500 inch O.D. and 0.109 inch wall thickness (page 12)
- 3.500 inch O.D. and 0.148 inch wall thickness (page 9)
- 3.500 inch O.D. and 0.165 inch wall thickness (page 8)
- 4.000 inch O.D. and 0.148 inch wall thickness (page 9)
- 4.000 inch O.D. and 0.165 inch wall thickness (page 8)
- 4.500 inch O.D. and 0.203 inch wall thickness (page 7)

The pipe subject to this investigation is currently classifiable in Harmonized Tariff Schedule of the United States ("HTSUS") statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5050, and 7306.50.5070. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under the investigation is dispositive.

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, entitled "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Circular Welded Carbon-Quality Steel Pipe from the Socialist Republic of Vietnam" (October 15, 2012) (hereafter, "Decision

Memorandum"), which is hereby adopted by this notice. Attached to this notice as an Appendix is a list of the issues that parties have raised and to which we have responded in the Decision Memorandum. The Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

#### Suspension of Liquidation

For this final determination, we have determined that neither of the producers/exporters of the subject merchandise individually investigated received countervailable subsidies. Therefore, we determine that countervailable subsidies are not being provided to producers or exporters in Vietnam of circular welded pipe.

Because we have reached a final negative determination we are terminating this investigation. Moreover, in accordance with section 705(c)(2) of the Tariff Act of 1930, as amended ("Act"), we will instruct U.S. Customs and Border Protection ("CBP") to release any bond or other security and refund any cash deposits that were collected for shipments of subject merchandise entered, or withdrawn from warehouse on or after March 30, 2012, the date that we instructed CBP to suspend liquidation following the *Preliminary Determination*. The interest provisions of section 778 of the Act do not apply.

#### International Trade Commission ("ITC") Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination.

#### Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

<sup>3</sup> Finished scaffolding is defined as component parts of a final, finished scaffolding that enters the United States unassembled as a "kit." A "kit" is understood to mean a packaged combination of component parts that contain, at the time of importation, all the necessary component parts to fully assemble a final, finished scaffolding.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: October 15, 2012.

**Paul Piquado,**

*Assistant Secretary for Import Administration.*

## Appendix

### List of Comments and Issues in the Decision Memorandum

#### General Issues

Comment 1 Applicability of the CVD Law to the Socialist Republic of Vietnam

Comment 2 The Appropriate *De Minimis* Standard

*Import Duty Exemptions on Imported Raw Materials for Export Processing Enterprises and Export Processing Zones*

Comment 3 Countervailability of Import Duty Exemptions for Export Processing Enterprises and Companies in Export Processing Zones

Comment 4 The GOV's System for Monitoring the Inputs Used To Produce Exported Goods

*Import Duty Exemptions for Imported Fixed Assets, Spare Parts and Accessories for Export Processing Enterprises and Export Processing Zones*

Comment 5 Whether Hongyuan's Failure to Report Imports of Spare Parts and Accessories Warrants Use of AFA

*Import Duty Exemptions for Imported Fixed Assets, Spare Parts and Accessories for Encouraged Projects*

Comment 6 SeAH VINA's Failure to Report Some Imports

Comment 7 Whether SeAH VINA Received Countervailable Duty Exemptions on its Purchases of Fixed Assets, Spare Parts and Accessories

#### Policy Loans

Comment 8 Preferential Financing to the Steel Industry

Comment 9 Preferential Lending for Exporters

Comment 10 Whether the Banks That Provided Loans to Hongyuan and SeAH VINA Are Public Entities

Comment 11 The Appropriate Benchmark for Policy Loans

*Provision of Land for Less Than Adequate Remuneration ("LTAR") in Encouraged Industries or Industrial Zones*

Comment 12 SeAH VINA's Land

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-523-802]

### Circular Welded Carbon-Quality Steel Pipe From the Sultanate of Oman: Final Affirmative Countervailing Duty Determination

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

**SUMMARY:** The Department of Commerce ("Department") determines that countervailable subsidies are being provided to producers and exporters of circular welded carbon-quality steel pipe ("circular welded pipe") from the Sultanate of Oman ("Oman").

**DATES:** *Effective Date:* October 22, 2012.

**FOR FURTHER INFORMATION CONTACT:** Sergio Balbontin or Shane Subler, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-6478 or (202) 482-0189, respectively.

#### Petitioners

The petitioners in this investigation are Allied Tube and Conduit, JMC Steel Group, United States Steel Corporation, and Wheatland Tube Corporation ("Wheatland Tube").

#### Period of Investigation

The period for which we are measuring subsidies, or period of investigation, is January 1, 2010, through December 31, 2010.

#### Case History

The following events have occurred since the *Preliminary Determination*.<sup>1</sup> On April 5, 2012, a supplemental questionnaire was sent to Al Jazeera Steel Products Co. SAOG ("Al Jazeera") and we received Al Jazeera's response on April 12, 2012. We sent supplemental questionnaires to the Government of the Sultanate of Oman ("GSO") on April 5, April 20, and May 10, 2012. We received the GSO's responses, respectively, on April 12, April 27, and May 17, 2012.

We received comments from Wheatland Tube addressing the GSO's submission on April 6, April 19, April 27, May 10, May 25, 2012 and a request

for hearing on April 30, 2012.

Wheatland Tube also submitted factual information/pre-verification comments on June 1, 2012.

The Department conducted verification of Al Jazeera's and the GSO's questionnaire responses from June 11 to June 15, 2012. We issued our verification reports on August 21 (Al Jazeera) and August 23, 2012 (GSO).

The GSO and Al Jazeera, and Wheatland Tube submitted case and rebuttal briefs on September 5, and September 10, 2012, respectively. A public hearing was held on September 14, 2012.

#### Scope Comments

In accordance with the preamble to the Department's regulations, we set aside a period of time in our *Initiation Notice* for parties to raise issues regarding product coverage, and encouraged all parties to submit comments within 20 calendar days of publication of that notice.<sup>2</sup> As described in the *Preliminary Determination*, SeAH Steel VINA Corp. ("SeAH VINA") filed comments on December 5, 2011, urging the Department to modify the scope description. No further comments on this issue were received.

For the reasons explained in the *Preliminary Determination*, the Department is not adopting SeAH VINA's proposed modification of the scope in its final determination.

#### Scope of the Investigation

This investigation covers welded carbon-quality steel pipes and tube, of circular cross-section, with an outside diameter ("O.D.") not more than 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International ("ASTM"), proprietary, or other) generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which: (a) iron predominates, by weight, over each of the other contained elements; (b) the carbon content is 2 percent or less, by weight; and (c) none

<sup>1</sup> See *Circular Welded Carbon-Quality Steel Pipe from the Sultanate of Oman: Preliminary Negative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination With Final Antidumping Duty Determination*, 77 FR 19635 (April 2, 2012) ("Preliminary Determination").

<sup>2</sup> See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27323 (May 19, 1997) and *Circular Welded Carbon-Quality Steel Pipe from India, the Sultanate of Oman, the United Arab Emirates, and the Socialist Republic of Vietnam: Initiation of Countervailing Duty Investigations*, 76 FR 72173 (November 22, 2011) ("Initiation Notice").