

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-910, C-570-911, A-580-809, A-583-008, A-583-814, A-533-502, A-570-914, C-570-915, A-580-859, A-583-803

Circular Welded Carbon Quality Steel Pipe from the People's Republic of China; Certain Circular Welded Non-Alloy Steel Pipe from the Republic of Korea; Certain Welded Carbon Steel Standard Pipes and Tubes from India; Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan; Certain Circular Welded Non-Alloy Steel Pipe from Taiwan; Light-Walled Rectangular Pipe and Tube from the People's Republic of China; Light-Walled Rectangular Pipe and Tube from the Republic of Korea; Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan: Initiation of Circumvention Inquiries on the Antidumping and Countervailing Duty Orders

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

SUMMARY: In response to requests from Atlas Tube Inc., Bull Moose Tube Company, Maruichi American Corporation, Nucor Tubular Products Inc., Searing Industries, Vest Inc., Wheatland Tube Company, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (collectively, the domestic interested parties), the U.S. Department of Commerce (Commerce) is initiating country-wide circumvention inquiries to determine whether imports of circular welded carbon quality steel pipe from the People's Republic of China (China) (CWP China), certain circular welded non-alloy steel pipe from the Republic of Korea (Korea) (CWP Korea), certain welded carbon steel standard pipes and tubes from India (pipe and tube India), certain circular welded carbon steel pipes and tubes from Taiwan (pipe and tube Taiwan), certain circular welded non-alloy steel pipe from Taiwan (CWP Taiwan), light-walled rectangular pipe and tube from China (LWRPT China), light-walled rectangular pipe and tube from Korea (LWRPT Korea), and light-walled welded rectangular carbon steel tubing (LWR tubing Taiwan), which are completed in the

Socialist Republic of Vietnam (Vietnam) from hot-rolled steel (HRS) produced in China, Korea, India, or Taiwan are circumventing the respective antidumping duty (AD) and countervailing duty (CVD) orders on CWP China, CWP Korea, pipe and tube India, pipe and tube Taiwan, CWP Taiwan, LWRPT China, LWRPT Korea, and LWR tubing Taiwan.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Krisha Hill at (202) 482-4037 (CWP China, AD/CVD Operations, Office IV); Andre Gziryan at (202) 482-2201 (CWP Korea, AD/CVD Operations, Office I); Dmitry Vladimirov at (202) 482-0665 (Pipe and Tube India, AD/CVD Operations, Office I); Nicolas Mayora at (202) 482-3053 (Pipe and Tube Taiwan, AD/CVD Operations, Office V); Preston Cox and Scarlet Jaldin at (202) 482-5041 and (202) 482-4275, respectively (CWP Taiwan, AD/CVD Operations, Office VI); Reginald Anadio at (202) 482-3166, (LWRPT China, AD/CVD Operations, Office IV); Carolyn Adie at (202) 482-6250 (LWRPT Korea, AD/CVD Operations, Office VI); and Bryan Hansen at (202) 482-3683 (LWR tubing Taiwan, AD/CVD Operations, Office I); Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

### Background

On May 17, 2022, pursuant to section 781(b) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.226(i), domestic interested parties filed circumvention inquiry requests alleging that CWP, pipe and tube, LWRPT, and LWR tubing completed in Vietnam using HRS manufactured in China, India, Korea, or Taiwan are circumventing the *Orders*<sup>1</sup> on pipe products

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<sup>1</sup> See Notice of Antidumping Duty Order: *Circular Welded Carbon Quality Steel Pipe from the People's Republic of*

from those countries and, accordingly, should be included within the scope of the *Orders*.<sup>2</sup> On June 2, 2022, SeAH Steel VINA Corporation (SeAH VINA) filed opposition comments in response to the domestic interested parties' request regarding the CWP and pipe and tube allegations; the comments did not address the LWRPT and LWR tubing allegations.<sup>3</sup> On June 13, 2022, we extended the deadline to initiate these circumvention inquiries by 15 days, in accordance with 19 CFR 351.226(d)(1).<sup>4</sup> On June 21, 2022, we issued supplemental questionnaires to the domestic interested parties.<sup>5</sup> On June 28, 2022, the domestic interested

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*China*, 73 FR 42547 (July 22, 2008); *see also Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 73 FR 42545 (July 22, 2008); *Final Determination of Sales at Less Than Fair Value: Certain Welded Non-Alloy Steel Pipe and Tube from the Republic of Korea*, 57 FR 42942 (September 17, 1992), as amended by *Notice of Antidumping Orders: Certain Circular Welded Non-Alloy Steel Pipe from Brazil, the Republic of Korea (Korea), Mexico, and Venezuela, and Amendment to Final Determination of Sales at Less Than Fair Value: Certain Circular Welded Non-Alloy Steel Pipe from Korea*, 57 FR 49453 (November 2, 1992); *Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan: Antidumping Duty Order*, 49 FR 19369 (May 7, 1984); *Notice of Antidumping Duty Order: Circular Welded Non-Alloy Steel Pipe from Taiwan*, 57 FR 49454 (November 2, 1992); *Certain Welded Carbon Steel Standard Pipes and Tubes from India*, 51 FR 17384 (May 12, 1986); *Antidumping Duty Order: Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan*, 54 FR 12467 (March 27, 1989); *Light-Walled Rectangular Pipe and Tube from Mexico, the People's Republic of China, and the Republic of Korea: Antidumping Duty Orders; Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Notice of Amended Final Determination of Sales at Less than Fair Value*, 73 FR 45403 (August 5, 2008); and *Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Notice of Countervailing Duty Order*, 73 FR 45405 (August 5, 2008) (collectively, *Orders*).

<sup>2</sup> *See* Domestic Interested Parties' Letters, "Circular Welded Carbon Quality Steel Pipe from the People's Republic of China – Request for Circumvention Inquiry"; "Certain Circular Welded Non-Alloy Steel Pipe from the Republic of Korea – Request for Circumvention Inquiry"; "Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan (A-583-008) and Circular Welded Non-Alloy Steel Pipe from Taiwan (A-583-814) – Request for Circumvention Inquiries"; "Certain Welded Carbon Steel Standard Pipes and Tubes from India – Request for Circumvention Inquiry"; "Light-Walled Rectangular Pipe and Tube from the People's Republic of China – Request for Circumvention Inquiry"; "Light-Walled Rectangular Pipe and Tube from the Republic of Korea: Request For Circumvention Inquiry"; and "Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan: Request for a Circumvention Inquiry," all dated May 17, 2022.

<sup>3</sup> *See* SeAH VINA's Letter, "Certain Circular Welded Carbon Quality Steel Pipe and Certain Circular Welded Non Alloy Steel Pipe from China, Korea, Taiwan, and India – Comments in Opposition to Initiation of Anticircumvention Inquiries," dated June 2, 2022 (SeAH VINA's Comments).

<sup>4</sup> *See* Memorandum, "Circular Welded Carbon Quality Steel Pipe from the People's Republic of China (A-570-910 and C-570-911): Extension of Time to Determine Whether to Initiate Circumvention Inquiry," dated June 13, 2022.

<sup>5</sup> *See* Commerce's Letters, "Circumvention Inquiry of Circular Welded Carbon Quality Steel Pipe from the People's Republic of China (A-570-910, C-570-911): Supplemental Questionnaire"; "Circumvention Inquiry of Certain Circular Welded Non-Alloy Steel Pipe from the Republic of Korea (A-580-809): Supplemental Questionnaire"; "Circumvention Inquiry of Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan (A-583-008) and Circular Welded Non-Alloy Steel Pipe from Taiwan (A-583-814): Supplemental Questionnaire"; "Circumvention Inquiry of Certain Welded Carbon Steel Standard Pipes and Tubes from India (A-533-502): Supplemental Questionnaire"; "Circumvention Inquiry of Light-Walled Rectangular Pipe and Tube from the People's Republic of

parties filed their responses to our supplemental questionnaires.<sup>6</sup> On July 1, 2022, Commerce clarified that we issued the supplemental questionnaires because we had found that the requests to conduct circumvention inquiries were insufficient for purposes of initiation, in accordance with 19 CFR 351.226(d)(1)(i). Additionally, we clarified that we consider the initial requests and supplementary information together to constitute the applications for circumvention inquiries, and that based on the date that the domestic parties filed the supplemental information, we consider the inquiry requests to have been filed on June 28, 2022.<sup>7</sup> On July 20, 2022, Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd. (Vietnam Haiphong) filed opposition comments in response to the domestic interested parties' request regarding CWP from China.<sup>8</sup>

### Scope of the Orders

Please *see* each respective Circumvention Initiation Memorandum for a complete description of the scope of *Orders*.<sup>9</sup>

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China (A-570-914, C-570-915): Supplemental Questionnaire,” (LWRPT China Supplemental); “Circumvention Inquiry of Light-Walled Rectangular Pipe and Tube from Korea (A-580-859): Supplemental Questionnaire”; and “Circumvention Inquiry of Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan (A-583-803): Supplemental Questionnaire,” all dated June 21, 2022. Please note, LWRPT China Supplemental was uploaded on June 22, 2022.

<sup>6</sup> *See* Domestic Interested Parties' Letters, “Certain Circular Welded Non-Alloy Steel Pipe from the Republic of Korea – Response to Supplemental Questionnaire”; “Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan (A-583-008) and Circular Welded Non-Alloy Steel Pipe from Taiwan (A-583-814) – Response to Supplemental Questionnaire”; “Certain Welded Carbon Steel Standard Pipes and Tubes from India – Response to Supplemental Questionnaire”; “Light-Walled Rectangular Pipe and Tube from the People’s Republic of China – Circumvention Inquiry Supplemental Questionnaire Response”; “Light-Walled Rectangular Pipe and Tube from the Republic of Korea – Response to Supplemental Questionnaire”; and “Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan – Response to Supplemental Questionnaire,” all dated June 28, 2022 (Supplemental Responses).

<sup>7</sup> *See* Commerce’s Letter, “Circumvention Inquiries on Circular and Rectangular Pipe and Tube Products from China, India, Korea, and Taiwan,” dated July 1, 2022.

<sup>8</sup> *See* Vietnam Haiphong’s Letter, “Circular Welded Carbon Quality Steel Pipe from People Republic of China: Vietnam Haiphong Hongyuan Machinery Manufactory Co., Ltd.’s Comments on the Request for Circumvention Inquiry,” dated July 20, 2022.

<sup>9</sup> For a complete description of the scope of the *Orders*, *see* Memoranda, “Circular Welded Carbon Quality Steel Pipe from the People’s Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty and Countervailing Duty Orders”; *see also* “Certain Circular Welded Non-Alloy Steel Pipe from the Republic of Korea: Initiation of Circumvention Inquiry on the Antidumping Duty Order”; “Certain Welded Carbon Steel Standard Pipes and Tubes from India: Initiation of Circumvention Inquiry on the Antidumping Duty Order”; “Certain Circular Welded Carbon Steel Pipes and Tubes from Taiwan: Initiation of Circumvention Inquiry on the Antidumping Duty

### Merchandise Subject to the Circumvention Inquiries

These circumvention inquiries cover CWP China, CWP Korea, pipe and tube India, pipe and tube Taiwan, CWP Taiwan, LWRPT China, LWRPT Korea, and LWR tubing Taiwan, completed in Vietnam using Chinese, Indian, Korean, or Taiwan-produced HRS and subsequently exported from Vietnam to the United States.

### Initiation of Circumvention Inquiries

Section 351.226(d) of Commerce's regulations states that if Commerce determines that a request for a circumvention inquiry satisfies the requirements of 19 CFR 351.226(c), then Commerce "will accept the request and initiate a circumvention inquiry." Section 351.226(c)(1) of Commerce's regulations, in turn, requires that each circumvention inquiry request alleges "that the elements necessary for a circumvention determination under section 781 of the Act exist" and be "accompanied by information reasonably available to the interested party supporting these allegations." The domestic interested parties alleged circumvention pursuant to section 781(b) of the Act, which pertains to merchandise completed or assembled in other foreign countries.

Section 781(b)(1) of the Act provides that Commerce may find circumvention of an AD order when merchandise of the same class or kind subject to the order is completed or assembled in a foreign country other than the country to which the order applies. In conducting a circumvention inquiry, under section 781(b)(1) of the Act, Commerce relies on the following criteria: (A) merchandise imported into the United States is of the same class or kind as any

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Order"; "Circular Welded Non-Alloy Steel Pipe from Taiwan: Initiation of Circumvention Inquiry on the Antidumping Duty Order"; "Light-Walled Rectangular Pipe and Tube from the People's Republic of China: Initiation of Circumvention Inquiry on the Antidumping Duty and Countervailing Duty Orders"; "Light-Walled Rectangular Pipe and Tube from Korea: Initiation of Circumvention Inquiry on the Antidumping Duty Order"; and "Light-Walled Welded Rectangular Carbon Steel Tubing from Taiwan: Initiation of Circumvention Inquiry on the Antidumping Duty Order," (collectively, Circumvention Initiation Memoranda).

merchandise produced in a foreign country that is the subject of an AD or CVD order or finding; (B) before importation into the United States, such imported merchandise is completed or assembled in another foreign country from merchandise which is subject to the order or merchandise which is produced in the foreign country that is subject to the order; (C) the process of assembly or completion in the foreign country referred to in section (B) is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD or CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) the administering authority determines that action is appropriate to prevent evasion of such order or finding.

In determining whether the process of assembly or completion in a third country is minor or insignificant under section 781(b)(1)(C) of the Act, section 781(b)(2) of the Act directs Commerce to consider: (A) the level of investment in the foreign country; (B) the level of research and development in the foreign country; (C) the nature of the production process in the foreign country; (D) the extent of production facilities in the foreign country; and (E) whether or not the value of processing performed in the foreign country represents a small proportion of the value of the merchandise imported into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a third country is minor or insignificant.<sup>10</sup> Accordingly, it is Commerce's practice to evaluate each of these five factors, depending on the totality of the circumstances of the particular circumvention inquiry.<sup>11</sup>

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<sup>10</sup> See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H.R. Doc. No. 103-316, Vol. 1 (1994) (SAA), at 893.

<sup>11</sup> See *Uncovered Innerspring Units from the People's Republic of China: Final Affirmative Determination of Circumvention of the Antidumping Duty Order*, 83 FR 65626 (December 21, 2018), and accompanying Issues and Decision Memorandum, at 4.

In addition, section 781(b)(3) of the Act sets forth additional factors to consider in determining whether to include merchandise assembled or completed in a third country within the scope of an AD or CVD order. Specifically, Commerce shall take into account such factors as: (A) the pattern of trade, including sourcing patterns; (B) whether the manufacturer or exporter of the merchandise is affiliated with the person who, in the third country, uses the merchandise to complete or assemble the merchandise which is subsequently imported into the United States; and (C) whether imports of the merchandise into the third country have increased after the initiation of the investigation that resulted in the issuance of such order or finding.

Based on our analysis of the domestic interested parties' circumvention requests, Commerce determines that the domestic interested parties have satisfied the criteria under 19 CFR 351.226(c) to warrant the initiations of circumvention inquiries of these *Orders*. Therefore, pursuant to 19 CFR 351.226(d)(1)(ii), we are initiating the requested circumvention inquiries. For a full discussion of the basis for our decisions to initiate these circumvention inquiries, *see* each respective Circumvention Initiation Memorandum.<sup>12</sup> As explained in the Circumvention Initiation Memoranda, the information provided by domestic interested parties in this instance warrants initiating these circumvention inquiries on a country-wide basis. Commerce has taken this approach in prior circumvention inquiries, where the facts warranted initiation on a country-wide basis.<sup>13</sup>

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<sup>12</sup> *See* Circumvention Initiation Memoranda. These memoranda are public documents and available electronically online via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).

<sup>13</sup> *See, e.g., Certain Corrosion-Resistant Steel Products from the Republic of Korea and Taiwan: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 83 FR 37785 (August 2, 2018); *Carbon Steel Butt-Weld Pipe Fittings from the People's Republic of China: Initiation of Anti-Circumvention Inquiry on the Antidumping Duty Order*, 82 FR 40556, 40560 (August 25, 2017) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted); and *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 81 FR 79454, 79458



Consistent with the approach in the prior circumvention inquiries that were initiated on a country-wide basis, Commerce intends to issue questionnaires to solicit information from producers and exporters in Vietnam concerning their shipments of CWP China, CWP Korea, pipe and tube India, pipe and tube Taiwan, CWP Taiwan, LWRPT China, LWRPT Korea, and LWR tubing Taiwan, made respectively from Chinese, Indian, Korean, or Taiwan-origin HRS to the United States. A company's failure to respond completely to Commerce's requests for information may result in the application of partial or total facts available, pursuant to section 776(a) of the Act, which may include adverse inferences, pursuant to section 776(b) of the Act.

#### Suspension of Liquidation

Pursuant to 19 CFR 351.226(l)(1), Commerce will notify U.S. Customs and Border Protection (CBP) of the initiation and direct CBP to continue the suspension of liquidation of entries of products subject to the circumvention inquiries that were already subject to the suspension of liquidation under the *Orders*. Should Commerce issue preliminary or final circumvention determinations, Commerce will follow the suspension of liquidation rules under 19 CFR 351.226(l)(2)-(4).

#### Notification to Interested Parties

In accordance with 19 CFR 351.226(d) and section 781(b) of the Act, Commerce determines that the domestic interested parties' requests for these circumvention inquiries satisfy the requirements of 19 CFR 351.226(c). Accordingly, Commerce is notifying all interested parties of the initiation of these circumvention inquiries to determine whether certain imports of CWP China, CWP Korea, pipe and tube India, pipe and tube Taiwan, CWP Taiwan, LWRPT China, LWRPT Korea, and LWR tubing Taiwan, completed in and exported from Vietnam using

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(November 14, 2016) (stating at initiation that Commerce would evaluate the extent to which a country-wide finding applicable to all exports might be warranted).



HRS inputs manufactured respectively in China, Korea, India, or Taiwan, are circumventing the *Orders*. In addition, we have included a description of the products that are the subject of these inquiries, and an explanation of the reasons for Commerce's decision to initiate these inquiries as provided above and in the accompanying Circumvention Initiation Memoranda.<sup>14</sup> In accordance with 19 CFR 351.226(e)(2), Commerce intends to issue its final circumvention determination within 300 days from the date of publication of the notice of initiation of a circumvention inquiry in the *Federal Register*.

This notice is published in accordance with section 781(b) of the Act and 19 CFR 351.226(d)(1)(ii).

Dated: July 28, 2022

*/S/ Lisa W. Wang*

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Lisa W. Wang  
Assistant Secretary  
for Enforcement and Compliance

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<sup>14</sup> See Circumvention Initiation Memoranda.

## Appendix

### List of Topics Discussed in the Circumvention Initiation Memoranda

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Merchandise Subject to the Circumvention Inquiry
- V. Statutory and Regulatory Framework for Circumvention Inquiry
- VI. Statutory Analysis for the Circumvention Inquiry
- VII. Comments Opposing the Initiation of Circumvention Inquiry<sup>15</sup>
- VIII. Country-Wide Circumvention Inquiry
- IX. Recommendation

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<sup>15</sup> As Commerce did not receive comments with regard to the LWRPT allegations, this section is not present in those initiation memoranda.