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April 7, 2016

MEMORANDUM TO: Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance

FROM: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Decision Memorandum for the Preliminary Results of the
Antidumping Duty Administrative Review of Certain Steel Grating
from the People's Republic of China

Summary

In response to requests from interested parties, the Department of Commerce ("Department") is conducting an administrative review of the antidumping duty order on certain steel grating ("steel grating") from the People's Republic of China ("PRC") for the period of review ("POR") July 1, 2014, through June 30, 2015. This review covers two companies.¹ The Department preliminarily finds that Ningbo Haitian did not establish its eligibility for separate rate status. Thus, the Department preliminarily finds Ningbo Haitian to be part of the PRC-wide entity. The Department preliminarily finds that Yantai Xinke made no exports, sales, or entries of subject merchandise during the POR.

If these preliminary results of review are adopted in our final results of review, we will instruct U.S. Customs and Border Protection ("CBP") to assess antidumping duties on all appropriate entries of subject merchandise during the POR. Interested parties are invited to comment on the preliminary results of review. We intend to issue the final results of this review no later than 120 days from the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act").

¹ See [Initiation of Antidumping and Countervailing Duty Administrative Reviews](#), 80 FR 53106 (September 2, 2015) ("[Initiation Notice](#)"). The companies under review are Ningbo Haitian International Co., Ltd. ("Ningbo Haitian") and Yantai Xinke Steel Structure Co., Ltd. ("Yantai Xinke").



Background

On July 1, 2015, the Department published a notice of opportunity to request an administrative review of the antidumping duty order on steel grating.² On July 31, 2015, Metal Grating Coalition (“Petitioner”) requested a review of Ningbo Haitian and Yantai Xinke.³ On September 2, 2015, the Department initiated a review of these two companies.⁴

On September 30, 2015, Yantai Xinke submitted a letter stating that it had no exports, sales, or entries of the subject merchandise to the United States during the POR.⁵ On October 19, 2015, the Department also conducted a CBP Data Query searching for all entries of subject merchandise from Yantai Xinke during the POR. We did not obtain any evidence of shipments of subject merchandise by Yantai Xinke during the POR. On December 14, 2015, the Department sent an inquiry to CBP requesting information regarding any shipments of subject merchandise during the POR Yantai Xinke.

On September 15, 2015, the Department sent the antidumping duty questionnaire to Ningbo Haitian.⁶ Although Ningbo Haitian received the Department’s antidumping duty questionnaire,⁷ it did not respond to any section of the questionnaire, nor did it provide a separate rate certification, a separate rate application, or a statement of no-shipments.

As explained in the memorandum from the Acting Assistant Secretary for Enforcement & Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government. All deadlines in this segment of the proceeding have been extended by four days. The revised deadline for the preliminary results of this review is April 7, 2016.

Scope of the Order

The products covered by this order are certain steel grating, consisting of two or more pieces of steel, including load-bearing pieces and cross pieces, joined by any assembly process, regardless of: (1) size or shape; (2) method of manufacture; (3) metallurgy (carbon, alloy, or stainless); (4) the profile of the bars; and (5) whether or not they are galvanized, painted, coated, clad or plated. Steel grating is also commonly referred to as “bar grating,” although the components may consist of steel other than bars, such as hot-rolled sheet, plate, or wire rod.

The scope of this order excludes expanded metal grating, which is comprised of a single piece or coil of sheet or thin plate steel that has been slit and expanded, and does not involve welding or joining of multiple pieces of steel. The scope of this order also excludes plank type safety

² See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review, 80 FR 37583 (July 1, 2015).

³ See Letter from Petitioner to the Department, Re: “Certain Steel Grating from the People’s Republic of China: Request for Administrative Review,” dated July 31, 2015.

⁴ See Initiation Notice.

⁵ See Letter from Yantai Xinke to the Department, Re: “Certain Steel Grating from the People’s Republic of China: A-570-947; No Shipment Certification,” dated September 30, 2015 (“Yantai Xinke No Shipment Letter”).

⁶ See Letter from the Department to Ningbo Haitian, dated September 15, 2015.

⁷ See Memorandum from Cara Lofaro to the File, Re: “FEDEX Delivery Confirmations,” dated October 8, 2015.

grating which is comprised of a single piece or coil of sheet or thin plate steel, typically in thickness of 10 to 18 gauge, that has been pierced and cold formed, and does not involve welding or joining of multiple pieces of steel.

Certain steel grating that is the subject of this order is currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) under subheading 7308.90.7000. While the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

DISCUSSION OF THE METHODOLOGY

Non-Market Economy Country Status

The Department considers the PRC to be a non-market economy (“NME”) country. In accordance with section 771(18)(C)(i) of the Tariff Act of 1930, as amended (“the Act”), any determination that a country is an NME country shall remain in effect until revoked by the administering authority.⁸ None of the parties to this proceeding contested NME treatment for the PRC. Therefore, for the preliminary results of this review, we treated the PRC as an NME country and applied our current NME methodology in accordance with section 773(c) of the Act.

PRC-wide Entity

In proceedings involving NME countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty cash deposit rate.⁹ It is the Department’s policy to assign all exporters of merchandise subject to an administrative review involving an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate.

Ningbo Haitian did not claim that it made no exports, sales, or entries of subject merchandise during the POR, nor did it submit a separate rate application or certification. The Department stated in the Initiation Notice that “{i}f a producer or exporter named in this notice of initiation had no exports, sales, or entries during the period of review (“POR”), it must notify the Department within 30 days of publication of this notice in the Federal Register.”¹⁰ Moreover, the Department stated in the Initiation Notice that “{a}ll firms listed below that wish to qualify for separate rate status in the administrative reviews involving {non-market economy} NME countries must complete, as appropriate, either a separate rate application or certification, as described below.”¹¹ Given the foregoing, we find that Ningbo Haitian has not established its eligibility for separate rate status. Therefore, we are preliminarily treating Ningbo Haitian as

⁸ See Brake Rotors from the People’s Republic of China: Preliminary Results and Partial Rescission of the 2004-2005 Administrative Review and Preliminary Notice of Intent To Rescind the 2004-2005 New Shipper Review, 71 FR 26736 (May 8, 2006), unchanged in Brake Rotors from the People’s Republic of China: Final Results and Partial Rescission of the 2005-2005 Administrative Review and Notice of Rescission of 2004-2005 New Shipper Review, 71 FR 66304 (November 14, 2006).

⁹ See Initiation Notice, 80 FR 53106.

¹⁰ Id.

¹¹ Id. at 53107.

part of the PRC-wide entity. Because no review was requested of the PRC-wide entity, we are not conducting an administrative review of that entity. If, in the final results of review, the Department continues to find that Ningbo Haitian is part of the PRC-wide entity, the pre-existing PRC-wide rate of 145.18 percent¹² will apply to entries of its subject merchandise into the United States during the POR.¹³

Preliminary Determination of No Shipments

Yantai Xinke submitted a timely-filed certification that it had no exports, sales, or entries of subject merchandise during the POR,¹⁴ and the results of CBP Inquiry did not return with any POR entries of Yantai Xinke's subject merchandise. Furthermore, in its comments, Yantai Xinke stated that it had not shipped to the United States for a number of years and submitted its no shipment certification in the previous review, which was subsequently rescinded. Given that Yantai Xinke certified that it made no shipments of subject merchandise to the United States during the POR and the results of the CBP Inquiry supports this no shipments claim, we preliminarily determine that Yantai Xinke did not have any reviewable transactions during the POR.

RECOMMENDATION

We recommend applying the above methodology for the preliminary results of review.

Agree

Disagree

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement & Compliance

(Date)

¹² See Certain Steel Grating From the People's Republic of China: Notice of Correction to the Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order, 75 FR 69626 (November 15, 2010).

¹³ See also Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings, 78 FR 65963, 65969-70 (Nov. 4, 2013) (explaining the change in practice with respect to review of the NME entity).

¹⁴ See Yantai Xinke No Shipment Letter.