



A-549-832
Investigation
POI: 07/01/2012-06/30/2013
Public Document
AD/CVD, Office VI: JD

February 14, 2014

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

RE: Decision Memorandum for the Preliminary Determination of the
Antidumping Duty Investigation of Certain Oil Country Tubular
Goods from Thailand

SUMMARY

The Department of Commerce (the Department) preliminarily determines that certain oil country tubular goods (OCTG) from Thailand are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of the accompanying *Federal Register* notice.

BACKGROUND

On July 2, 2013, the Department of Commerce (the Department) received an antidumping duty (AD) petition concerning imports of OCTG from Thailand, filed in proper form on behalf of United States Steel Corporation, Vallourec Star L.P., TMK IPSCO, Energex (division of JMC Steel Group), Northwest Pipe Company, Tejas Tubular Products, Welded Tube USA Inc., Boomerang Tube LLC, and Maverick Tube Corporation (collectively, the petitioners). The petitioners are domestic producers of OCTG.¹ The Department initiated an AD investigation of OCTG from Thailand on July 19, 2013.² The Department set aside a period of time for parties to raise issues regarding product coverage and invited all parties to submit comments within 20

¹ See Antidumping Duty Petition on Certain Oil Country Tubular Goods from Thailand, dated July 2, 2013 (Petition).

² See *Certain Oil Country Tubular Goods from India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Initiation of Antidumping Duty Investigations*, 78 FR 45505 (July 29, 2013) (Initiation Notice).



calendar days of publication of the *Initiation Notice*.³ The Department also set aside a time for parties to comment on product characteristics for use in the AD questionnaire.⁴ On August 5, 2013, we received comments regarding physical product characteristics from interested parties. On August 12, 2013, we received rebuttal comments from interested parties. *See* discussion below.

On August 12, 2013, WSP Pipe Co., Ltd. (WSP) submitted scope comments. Specifically, WSP requested that the Department exclude “pierced billets” from the scope of the investigations.⁵ On August 22, 2013, the petitioners filed rebuttal comments to WSP’s scope request.⁶

On August 22, 2013, the U.S. International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of OCTG from Thailand.⁷ On August 27, 2013, the Department selected WSP as the sole mandatory respondent in this investigation.⁸ On August 28, 2013, the Department issued its AD questionnaire to WSP.⁹ WSP requested extensions to respond to the Department’s AD questionnaire on September 11, 2013, and September 26, 2013, respectively. The Department granted the extension requests, in part, and requested that WSP file the section A response to the AD questionnaire on October 9, 2013.¹⁰

On October 18, 2013, the Department exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 1, 2013 through October 16, 2013.¹¹ Therefore, all deadlines in this segment of the proceeding have been extended by 16 days.

On October 18, 2013, WSP filed a letter with the Department “to advise that WSP will not be responding to the Department of Commerce’s August 28, 2013 Request for Information.”¹²

³ *See Initiation Notice; see also Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

⁴ *See Initiation Notice*, 78 FR at 45505-06; *see also Preamble*, 62 FR at 27323.

⁵ *See* Letter from WSP to the Department entitled “*Comments on scope of investigations: Antidumping Duty Investigations of Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine and Vietnam; Countervailing Duty Investigation of Oil Country Tubular Goods from India and Turkey*,” dated August 12, 2013 (Scope Comments).

⁶ *See* Letter from the petitioners to the Department entitled “*Certain Oil Country Tubular Goods from India, Korea, Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine and Vietnam: Rebuttal Comments on Scope of Investigation*,” dated August 22, 2013 (Scope Rebuttal Comments).

⁷ *See Certain Oil Country Tubular Goods From India, Korea, the Philippines, Saudi Arabia, Taiwan, Thailand, Turkey, Ukraine, and Vietnam: Determinations*, Investigation Nos. 701-TA-499-500 and 731-TA-1215-1223 (Preliminary), 78 FR 52213 (August 22, 2013).

⁸ *See* Memorandum from John K. Drury, International Trade Analyst, Office 7, through Richard O. Weible, Office Director, for Antidumping and Countervailing Duty Operations, to Gary Taverman, Senior Advisor for Antidumping and Countervailing Duty Operations, titled “*Antidumping Duty Investigation of Certain Oil Country Tubular Goods from Thailand: Respondent Selection*,” dated August 27, 2013 (Respondent Selection Memorandum).

⁹ *See* Letter from the Department to WSP, dated August 28, 2013 (AD questionnaire).

¹⁰ *See* Letter from the Department to WSP, dated September 26, 2013.

¹¹ *See* Memorandum for the Record from Paul Piquado, Assistant Secretary for Enforcement and Compliance, “*Deadlines Affected by the Shutdown of the Federal Government*” (October 18, 2013).

¹² *See* Letter from WSP to the Department entitled “*Response of WSP Pipe Co. Ltd to Department of Commerce Questionnaire: Antidumping Duty Investigation of Oil Country Tubular Goods from Thailand*,” dated October 18, 2013.

On October 31, 2013, the Department extended the deadline for the issuance of the preliminary determination by 50 days, or until February 14, 2014.¹³

On February 7, 2014, WSP filed a letter with the Department requesting that the Department postpone the final determination by 60 days (135 days after publication of the preliminary determination), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a six-month period.¹⁴

PERIOD OF INVESTIGATION

The period of investigation (POI) is July 1, 2012, through June 30, 2013. This period corresponds to the four most recent fiscal quarters prior to the month in which the Petition was filed, July 2013.¹⁵

SCOPE OF THE INVESTIGATION

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors. The merchandise subject to the investigations is currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90,

¹³ See *Certain Oil Country Tubular Goods From India, the Republic of Korea, the Republic of the Philippines, Saudi Arabia, Taiwan, Thailand, the Republic of Turkey, Ukraine, and the Socialist Republic of Vietnam: Postponement of Preliminary Determinations of Antidumping Duty Investigations*, 78 FR 65268 (October 31, 2013). Due to the closure of the Federal Government on February 13, 2014, Commerce completed this determination on the next business day (*i.e.*, February 14, 2014). See *Notice of Clarification: Application of “Next Business Day” Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended*, 70 FR 24533 (May 10, 2005).

¹⁴ See Letter from WSP to the Department, dated February 7, 2014.

¹⁵ See 19 CFR 351.204(b)(1).

7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

SCOPE COMMENTS

In the *Initiation Notice*, the Department invited interested parties to “to raise issues regarding product coverage.”¹⁶

On August 12, 2013, we received scope comments from WSP, requesting that the Department “clarify the scope of these oil country tubular goods (“OCTG”) investigations by excluding certain “pierced billets” from the scope.”¹⁷ WSP described the merchandise subject to the request as “billets with a chemical composition used to produce a variety of pipe and tube products (including but not limited to OCTG), which have been pierced, but which have not been otherwise further processed prior to importation into the United States.”¹⁸ WSP further described the merchandise as “heated and pierced; it has not been rolled, sized, straightened, cut, etc., prior to importation into the United States.”¹⁹ WSP stated that it did not think that such “pierced billets” constitute “unfinished OCTG, including green tubes” because the billets are not dedicated for use as OCTG or green tubes and can be used for other applications such as diesel sleeves, mine crane rear axles, and mechanical or structural pipe.²⁰ WSP also claimed that the merchandise in question requires substantial additional processing before it could be considered unfinished OCTG and thus subject to the scope of the investigations.²¹

We received rebuttal comments from the petitioners on August 22, 2013, in which the petitioners claim that the Department should reject WSP’s request and that the merchandise in question is covered by the scope of the investigations.²² The petitioners state that the scope language of the investigations covers “hollow steel products of circular cross section” that are unfinished and may be used as OCTG, and argue that the merchandise described by WSP fits this physical description and thus is clearly within the scope.²³ The petitioners further state that the inclusion

¹⁶ See *Initiation Notice*, 78 FR at 45506.

¹⁷ See *Scope Comments* at 2.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.* at 2-3.

²² See *Scope Rebuttal Comments* at 2.

²³ *Id.* at 2-3.

of this merchandise in the scope is consistent with previous practices and decisions by the Department.²⁴ The petitioners also argue that WSP provided no information to substantiate the claim that “pierced billets” require substantial additional processing, and moreover that there are many types of unfinished OCTG besides “green tubes” that are covered by the scope.²⁵ Finally, the petitioners believe that any “pierced billets” imported into the United States would be classified under the heading 7304 of Chapter 73 of the HTS, and that such a classification would indicate that the merchandise was a form of unfinished OCTG and covered by the scope.²⁶

In response to WSP’s arguments, the petitioners argued in part that the physical characteristics of the product in question were the same as merchandise covered by the scope of the investigations and that there was no evidence that the merchandise in question required further manufacturing. WSP never responded to the petitioners’ arguments, provided no further information, and subsequently did not respond to the Department’s AD Questionnaire. Therefore, we preliminarily find that we do not have sufficient evidence on the record to determine whether the merchandise described by WSP is not covered by the scope of these investigations. We invite parties to comment on this in their briefs so that the issue can be addressed in the final determination.²⁷

MODEL MATCH COMMENTS

As noted above, the Department gave parties an opportunity to comment on the appropriate hierarchy of product characteristics for model matching purposes within a certain deadline.²⁸ On August 5, 2013, we received comments regarding physical product characteristics from interested parties.²⁹ On August 12, 2013, we received rebuttal comments from interested parties.³⁰

We considered the comments that were submitted and established the appropriate product characteristics to use as a basis for defining models and, when necessary, for comparing similar models, for this AD investigation. The Department identified ten criteria for matching U.S. sales of subject merchandise to NV (welding,³¹ type, grade, coupling, upset end, threading, nominal outside diameter, length, heat treatment, and nominal wall thickness), which were included in the AD questionnaire issued to WSP on August 28, 2013.

The goal of the product characteristic hierarchy is to identify the best possible matches with respect to the characteristics of the merchandise. While variations in cost may suggest the

²⁴ *Id.*

²⁵ *Id.* at 3.

²⁶ *Id.* at 4.

²⁷ Parties are reminded to file any comments concerning the scope to all of the records of the concurrent OCTG investigations.

²⁸ *See Initiation Notice*, 78 FR at 45506-7; *see also Preamble*, 62 FR at 27323.

²⁹ *See* Letters from the petitioners, SeAH Steel Corporation, Oil Country Tubular Ltd., United Seamless Tubular Pvt. Ltd., and Jubail Energy Services Company and Duferco Steel Inc. dated August 5, 2013.

³⁰ *See* Letters from the petitioners, AJU Besteel Co., Ltd. and Husteel Co., Ltd., Borusan Mannesmann Boru Sanayi ve Ticaret A.S., ILJIN Steel Corporation, Interpipe and North American Interpipe, Oil Country Tubular Ltd., United Seamless Tubular Pvt. Ltd., WSP, and Jubail Energy Services Company and Duferco Steel Inc. dated August 12, 2013.

³¹ *i.e.*, whether the pipe was seamless or welded.

existence of variation in product characteristics, such variations do not constitute differences in products in and of themselves. Furthermore, the magnitude of variations in cost may differ from company to company, and even for a given company over time and, therefore, do not, in and of themselves, provide a reliable basis for identifying the relative importance of different product characteristics. The Department has noted that for defining products and creating a model match hierarchy, “{t}he physical characteristics are used to distinguish the differences among products across the industry,” that “{c}ost is not the primary factor for establishing these characteristics,” and, in short, “{c}ost variations are not the determining factor in assigning product characteristics for model-matching purposes.”³² We believe that the product characteristics and hierarchy outlined in the AD Questionnaire meets this goal.

RESPONDENT SELECTION

On July 25, 2013, we released a memorandum to interested parties in which we stated that the Department intended to select mandatory respondents based on U.S. import data obtained from U.S. Customs and Border Protection (CBP).³³ We did not receive any comments. On August 27, 2013, the Department selected WSP as the sole mandatory respondent³⁴ and issued the AD questionnaire to them on August 28, 2013.

On October 18, 2013, WSP submitted a letter stating to the Department that it did not intend to submit a response to the questionnaire. Accordingly, we preliminary determined to apply facts available with an adverse inference to WSP.

APPLICATION OF FACTS AVAILABLE WITH ADVERSE INFERENCES

For the reasons discussed below, we determine that the use of facts available with an adverse inference (AFA) is appropriate for the preliminary determination with respect to WSP.

Use of Facts Available

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds requested information; (B) fails to provide such information by the deadlines for submission of the information or in the form or manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; (C) significantly impedes a proceeding under this title; or (D) provides such information but the information cannot be verified as provided in section 782(i) of the Act, then the administering authority shall use, subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination. Section 782(d) of the Act provides that, if the

³² See *Stainless Steel Wire Rod from Sweden: Final Results of Antidumping Duty Administrative Review*, 73 FR 12950 (March 11, 2008), and accompanying Issues and Decision Memorandum at Comment 1. Also, the Department’s “...selection of model match characteristics {is based} on unique measurable physical characteristics that the product can possess” and “differences in price or cost, standing alone, are not sufficient to warrant inclusion in the Department’s model-match of characteristics which a respondent claims to be the cause of such differences.” See *Notice of Final Determination of Sales at Less Than Fair Value; Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products from Turkey*, 65 FR 15123 (March 21, 2000), and accompanying Issues and Decision Memorandum at Model Match Comment 1.

³³ See CBP Data Release Memorandum to all interested parties, dated July 25, 2013.

³⁴ See Respondent Selection Memorandum.

administering authority determines that a response to a request for information does not comply with the request, the administering authority shall promptly inform the responding party and provide an opportunity to remedy the deficient submission. Section 782(e) of the Act states further that the Department shall not decline to consider submitted information if all of the following requirements are met: (1) the information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

In this case, WSP did not provide any of the information necessary to calculate an AD margin for the preliminary determination. Specifically, WSP failed to respond to our questionnaire, thereby withholding, under section 776(a)(2)(A) of the Act, among other things, home-market and U.S. sales data that are necessary for preliminarily determining whether WSP is selling subject merchandise into the United States at LTFV, pursuant to section 733 of the Act. WSP's failure to provide this necessary information has significantly impeded this proceeding pursuant to section 776(a)(2)(C) of the Act. Furthermore, because WSP did not submit any response to our requests for information and did not suggest alternative forms in which it could submit such responses, sections 782(c)(1), (d), and (e) of the Act do not apply. Thus, in reaching our preliminary determination, pursuant to sections 776(a)(2)(A), (B), and (C) of the Act, we have based the dumping margin on facts otherwise available for WSP.

Application of Adverse Inferences for Facts Available

In applying the facts otherwise available, section 776(b) of the Act provides that, if the administering authority finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information from the administering authority, in reaching the applicable determination under this title, the administering authority may use an inference adverse to the interests of that party in selecting from among the facts otherwise available.³⁵ Adverse inferences are appropriate “to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully.”³⁶ Further, “affirmative evidence of bad faith on the part of a respondent is not required before the Department may make an adverse inference.”³⁷

Although the Department put WSP on notice as to the consequences of its failure to respond adequately to the questionnaire in this investigation, WSP did not respond to the questionnaire

³⁵ See section 776(b) of the Act; see, e.g., *Notice of Preliminary Determination of Sales at Less than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 25305, 25307-08 (May 1, 2000), unchanged in *Notice of Final Determination of Sales at Less than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985, 42986 (July 12, 2000) (*Steel Hollow Products from Japan*).

³⁶ See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Glycine from Japan*, 72 FR 52349, 52352 (September 13, 2007) (*Glycine from Japan*), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances: Glycine from Japan*, 72 FR 67271, 67272 (November 28, 2007); *Statement of Administrative Action accompanying the Uruguay Round Agreements Act*, H.R. Doc. No. 103-316, vol.1 (1994) at 870 (SAA).

³⁷ See *Antidumping Duties; Countervailing Duties*, 62 FR 27296, 27340 (May 19, 1997).

and stated that it did not intend to do so.³⁸ This constitutes a failure on the part of WSP to cooperate to the best of its ability to comply with a request for information by the Department within the meaning of section 776(b) of the Act. Based on the above, the Department preliminarily determined that WSP failed to cooperate to the best of its ability and, therefore, an adverse inference is warranted in selecting from among the facts otherwise available.³⁹

Selection and Corroboration of Information Used as Facts Available

Where the Department applies AFA because a respondent failed to cooperate by not acting to the best of its ability to comply with a request for information, section 776(b) of the Act authorizes the Department to rely on information derived from the petition, a final determination, a previous administrative review, or other information placed on the record.⁴⁰ It is the Department's practice to use the highest rate from the petition in an investigation when a respondent fails to act to the best of its ability to provide the necessary information.⁴¹ Therefore, because an adverse inference is warranted, we assigned to WSP the highest margin alleged in the petition, as referenced in the *Initiation Notice* (i.e., 118.32 percent).⁴²

When using facts otherwise available, section 776(c) of the Act provides that, when the Department relies on secondary information (such as the petition) rather than on information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably available at its disposal.⁴³ "Corroborate" means the Department will satisfy itself that the secondary information to be used has probative value.⁴⁴ As stated in prior proceedings, to corroborate secondary information, the Department will examine, to the extent practicable, the reliability and relevance of the information used.⁴⁵ The Department's regulations state that independent sources used to

³⁸ See Letter from WSP to the Department entitled "*Response of WSP Pipe Co. Ltd to Department of Commerce Questionnaire: Antidumping Duty Investigation of Oil Country Tubular Goods from Thailand*," dated October 18, 2013.

³⁹ See, e.g., *Steel Hollow Products from Japan* (the Department applied total AFA where the respondent failed to respond to the AD questionnaire).

⁴⁰ See section 776(b) of the Act; see also 19 CFR 351.308(c) and the SAA at 829-831.

⁴¹ See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethylcellulose From Finland*, 69 FR 77216, 77218 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethylcellulose From Finland*, 70 FR 28279 (May 17, 2005).

⁴² See Antidumping Duty Petition on Certain Oil Country Tubular Goods from Thailand, Supplemental Response (Thailand AD Supplement) dated July 12, 2013, at 6, and the July 22, 2013 Antidumping Investigation Initiation Checklist on Certain Oil Country Tubular Goods from Thailand (Initiation Checklist) on file in Enforcement and Compliance's Central Records Unit, at 8; see also *Initiation Notice*.

⁴³ See section 776(c) of the Act; 19 CFR 351.308(d); *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1336 (CIT 2004) (stating, "pursuant to the to the extent practicable language...the corroboration requirement itself is not mandatory when not feasible."); see also *Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Canada*, 63 FR 59527, 59529 (November 4, 1998) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils from Canada*, 64 FR 15457 (March 31, 1999)).

⁴⁴ See 19 CFR 351.308(d); SAA at 870; see, e.g., *Glycine from Japan*.

⁴⁵ See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996) (unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From*

corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation.⁴⁶

For the purposes of this investigation, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis and for purposes of this preliminary determination.⁴⁷ We examined evidence supporting the calculations in the petition to determine the probative value of the margins alleged in the petition for use as AFA for purposes of this preliminary determination. During our pre-initiation analysis, we examined the key elements of the export price (EP) and normal value (NV) calculations used in the petition to derive an estimated margin.⁴⁸ We also examined information from various independent sources provided either in the Petition or, on our request, in the supplements to the petition that corroborates key elements of the EP and NV calculations used in the petition to derive an estimated margin.⁴⁹

The petitioners estimated EPs for OCTG based on information from one source: the Global Trade Atlas, which bases its figures on U.S. Bureau of Census (Census Bureau) import statistics. The petitioners based the calculation of EP on imports of OCTG from Thailand into the United States using HTSUS subheading 7304.29.⁵⁰ To examine further the reliability of the U.S. price information in the petition for purposes of this preliminary determination, we note that the petitioners obtained the monthly average unit values (AUVs) (Free Alongside Ship) of imports of OCTG based on import statistics compiled by the Global Trade Atlas for U.S. imports from Thailand during the POI.⁵¹

Official U.S. import statistics are data that we consider reliable.⁵² Moreover, because we obtained no other information that would make us question the reliability of the U.S. price provided in the petition, based on our examination of the aforementioned information, we preliminarily consider the petitioners' calculation of net U.S. price to be reliable.⁵³

The petitioners based NV on AUVs of imports of OCTG by Myanmar from Thailand.⁵⁴ The petitioners obtained the AUV's from the same source as the information obtained to calculate EP. Therefore, absent other information on the record disputing the validity of the sources of information or the validity of information supporting the underlying price (and applicable price

Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part, 62 FR 11825, 11843 (March 13, 1997)).

⁴⁶ See 19 CFR 351.308(d) and SAA at 870.

⁴⁷ See Initiation Checklist.

⁴⁸ *Id.* at 6-8.

⁴⁹ *Id.*

⁵⁰ See Initiation Checklist at 7-8.

⁵¹ *Id.* at 7 citing Petition Supplement, at XII-Supp-4 and Exhibit XII-Supp-2.

⁵² See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 48538 (August 18, 2005) (*Chromium from Japan*), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Superalloy Degassed Chromium from Japan*, 70 FR 65886 (November 1, 2005).

⁵³ See, e.g., *Glycine from Japan*, 72 FR at 52353.

⁵⁴ See *Certain Oil Country Tubular Goods from Thailand*, dated July 12, 2013 (Supplemental Petition Response) at 4, Petition at 4-5, and Initiation Checklist at 7-8.

adjustments) used in the Petition, we consider the petitioners' calculation of NV to be reliable. Accordingly, because we confirmed the accuracy and validity of the information underlying the derivation of the margin in the Petition by examining source documents and affidavits, as well as publicly available information, we preliminarily determine that the margins in the Petition are reliable for the purposes of this investigation.⁵⁵

In making a determination as to the relevance aspect of corroboration, the Department will consider information reasonably at its disposal as to whether there are circumstances that would render a margin not relevant. Where circumstances indicate that the selected margin is not appropriate as AFA, the Department will disregard the margin and determine an appropriate margin. For example, in *Fresh Cut Flowers from Mexico*, the Department disregarded the highest margin as "best information available" (the predecessor to "facts available") because the margin was based on another company's uncharacteristic business expense that resulted in an unusually high dumping margin.⁵⁶

In *Am. Silicon Techs. v. United States*, the Court of International Trade found that a particular AFA rate bore a "rational relationship" to the respondent's "commercial practices" and was, therefore, relevant.⁵⁷ In the pre-initiation stage of this investigation, we confirmed that the calculation of the margin in the petition reflects commercial practices of the particular industry during the POI.⁵⁸ Further, no information has been presented in the investigation that calls into question the relevance of this information. As such, we preliminarily determine that the margin in the Petition, which we determined during our pre-initiation analysis, was based on adequate and accurate information, and which we have corroborated for purposes of this preliminary determination, is relevant as the AFA rate for WSP.⁵⁹

Finally, the Department is aware of no other independent sources of information that would enable it to corroborate further the U.S. and comparison-market AUVs, as furnished by the petitioners, for this preliminary determination. Similar to *Polyethylene Bags from Thailand*, because this is the first proceeding involving WSP, there are no probative alternatives.⁶⁰

For all these reasons, we preliminarily determined the rate to be reliable and relevant to WSP in this investigation, and we therefore corroborated the AFA rate "to the extent practicable."⁶¹

⁵⁵ See, e.g., *Glycine from Japan*, 72 FR at 52353.

⁵⁶ See *Fresh Cut Flowers from Mexico: Final Results of Antidumping Duty Administrative Review*, 61 FR 6812, 6814 (February 22, 1996) (*Fresh Cut Flowers from Mexico*).

⁵⁷ See *Am. Silicon Techs. v. United States*, 273 F. Supp. 2d 1342, 1346 (CIT 2003).

⁵⁸ See Initiation Checklist at 6-8.

⁵⁹ See, e.g., *Glycine from Japan*.

⁶⁰ See *Polyethylene Retail Carrier Bags from Thailand: Preliminary Results of Antidumping Duty Administrative Review*, 71 FR 53405, 53407 (September 11, 2006) (*Polyethylene Bags from Thailand*) (unchanged in *Polyethylene Retail Carrier Bags from Thailand: Final Results of Antidumping Duty Administrative Review*, 72 FR 1982 (January 17, 2007)).

⁶¹ See section 776(c) of the Act; 19 CFR 351.308(d); *NSK Ltd. v. United States*, 346 F. Supp. 2d 1312, 1336 (CIT 2004) (stating, "pursuant to the to the extent practicable language...the corroboration requirement itself is not mandatory when not feasible."); see also *Notice of Preliminary Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils From Canada*, 63 FR 59527, 59529 (November 4, 1998) (unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coils from Canada*, 64 FR 15457 (March 31, 1999)).

Therefore, based on our efforts described above to corroborate the margin in the Petition, we determine to the extent practicable that the estimated margin of 118.32 percent in the *Initiation Notice* has probative value within the meaning of section 776(c) of the Act.⁶² Consequently, in selecting an AFA margin with respect to WSP, we applied the highest margin rate of 118.32 percent, the estimated dumping margin set forth in the *Initiation Notice*.⁶³

ALL OTHERS RATE

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-average dumping margins established for all exporters and producers individually investigated are zero or *de minimis* margins, or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated “all others” rate for exporters and producers not individually investigated. This provision contemplates that the Department may weight-average margins other than the zero, *de minimis*, or facts available margins to establish the “all others” rate. When the data do not permit weight-averaging such other margins, the Statement of Administrative Action (SAA) provides that the Department may use other reasonable methods.⁶⁴

In in certain instances, where the only dumping margins on the record are zero, *de minimis*, or those determined entirely under section 776 of the Act, the Department has averaged the margins calculated in the petition and applied the resulting margin to all other entities not individually examined.⁶⁵ However, because the petition here contained only one estimated dumping margin, there are no additional estimated margins available with which to create the “all others” rate. Therefore, we are using the initiation margin of 118.32 percent as the “all others” rate.⁶⁶

⁶² See section 776(c) of the Act; see also 19 CFR 351.308(d).

⁶³ See *Initiation Notice*.

⁶⁴ See the SAA accompanying the URAA, H.R. Rep. No. 103-316 at 873 (1994).

⁶⁵ See *Notice of Preliminary Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 21909 (April 23, 2008); unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986 (July 8, 2008).

⁶⁶ See *Notice of Final Determination of Sales at Less than Fair Value: Purified Carboxymethylcellulose from Sweden*, 70 FR 28278 (May 17, 2005) (assigning as the all others rate the only estimated dumping margin from the petition); *Notice of Final Determination of Sales at Less than Fair Value: Purified Carboxymethylcellulose from Finland*, 70 FR 28279 (May 17, 2005) (same); *Notice of Final Determination of Sales at Less Than Fair Value: Ferrovandium from the Republic of South Africa*, 67 FR 71136 (November 29, 2002) (same).

RECOMMENDATION

We recommend applying the above methodology for this preliminary determination.

Agree ✓ Disagree

 Paul Piquado
Paul Piquado
Assistant Secretary
for Enforcement and Compliance

 14 FEBRUARY 2014
Date