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Anti-Circumvention Inquiries: from Costa Rica
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July 6, 2020

MEMORANDUM TO: Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Anti-Circumvention
Inquiries Involving Costa Rica of the Antidumping and
Countervailing Duty Orders on Certain Corrosion-Resistant Steel
Products from the People's Republic of China

I. SUMMARY

We have analyzed the case and rebuttal briefs of interested parties in the anti-circumvention inquiries of the antidumping duty (AD) and countervailing duty (CVD) orders on certain corrosion-resistant steel products (CORE) from the People's Republic of China (China). As a result of our analysis, we continue to find, consistent with the *Preliminary Determination*,¹ that CORE completed in Costa Rica from hot-rolled steel (HRS) and/or cold-rolled steel (CRS) flat products manufactured in China, are circumventing the AD and CVD orders on CORE from China.² We recommend that you approve the positions described in the "Discussion of the Issues" section of this memorandum. Below is the complete list of issues for which we received comments and rebuttal comments from interested parties:

Comment 1: Whether Metalco Should Be Eligible for Certification

¹ See *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Affirmative Preliminary Determination of Circumvention Involving Costa Rica*, 85 FR 8830 (February 18, 2020) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum (PDM).

² See *Certain Corrosion-Resistant Steel Products from India, Italy, the People's Republic of China, the Republic of Korea and Taiwan: Amended Final Affirmative Antidumping Determination for India and Taiwan, and Antidumping Duty Orders*, 81 FR 48390 (July 25, 2016); see also *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387, (July 25, 2016) (collectively, *China CORE Orders*).

II. BACKGROUND

On February 18, 2020, Commerce published the *Preliminary Determination* of circumvention of the *China CORE Orders*. Pursuant to section 781(e) of the Tariff Act of 1930, as amended (the Act), on February 11, 2020, we notified the U.S. International Trade Commission (ITC) of our affirmative preliminary determination of circumvention and informed the ITC of its ability to request consultation with Commerce regarding the possible inclusion of the products in question within the *China CORE Orders* pursuant to section 781(e)(2) of the Act.³ The ITC did not request a consultation with Commerce. Between February 24, 2020 and February 27, 2020, we conducted verification in Costa Rica.⁴

In accordance with 19 CFR 351.309, we invited parties to comment on the *Preliminary Determination* and our verification findings.⁵ On March 26, 2020, Metalco S.A. (Metalco) filed a letter in lieu of a case brief.⁶ On March 31, 2020, members of the domestic industry⁷ filed a rebuttal brief.⁸

III. SCOPE OF THE ORDERS

The products covered by these orders are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, etc.). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to

³ See Letter to David S. Johanson, Chairman, U.S. International Trade Commission, “Anti-Circumvention Inquiries of the Antidumping and Countervailing Duty Orders on Certain Corrosion-Resistant Steel Products from the People’s Republic of China and the Antidumping Duty Order on Certain Corrosion-Resistant Steel Products from Taiwan: Notification of Affirmative and Negative Preliminary Determinations of Circumvention of the Antidumping and Countervailing Duty Orders,” dated February 11, 2020.

⁴ See Memorandum, “Verification of the Questionnaire Responses of Metalco S.A. in the Anti-Circumvention Inquiries on the Antidumping and Countervailing Duty Orders of Corrosion-Resistant Steel Products from the People’s Republic of China,” dated March 17, 2020 (Metalco Verification Report).

⁵ See Memorandum, “Anti-Circumvention Inquiries Involving Costa Rica of the Antidumping and Countervailing Duty Orders on Certain Corrosion-Resistant Steel Products from the People’s Republic of China: Briefing Schedule,” dated March 19, 2020.

⁶ See Metalco’s Letter, “Anti-Circumvention Inquiries of the Antidumping and Countervailing Duty Orders of Certain Corrosion-Resistant Steel Products from the People’s Republic of China: Letter in lieu of a case brief,” dated March 26, 2020 (Metalco’s Case Brief).

⁷ The domestic industry parties in these inquiries are ArcelorMittal USA LLC, Nucor Corporation, United States Steel Corporation, Steel Dynamics, Inc., and SSAB Enterprises.

⁸ See Domestic Industry’s Letter, “Corrosion-Resistant Steel Products from the People’s Republic of China: Domestic Industry Rebuttal Brief,” dated March 31, 2020 (Domestic Industry’s Rebuttal Brief).

the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

(1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and

(2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with nonrectangular shape, etc.), the measurement at its greatest width or thickness applies.

Steel products included in the scope of these orders are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with microalloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels. Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not

otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of these orders unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of these orders:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (terne plate), or both chromium and chromium oxides (tin free steel), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the orders are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the orders may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

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

IV. SCOPE OF THE ANTI-CIRCUMVENTION INQUIRIES

These anti-circumvention inquiries cover CORE completed in Costa Rica from HRS or CRS substrate input manufactured in China, and subsequently exported to the United States (merchandise subject to these inquiries). This ruling applies to all shipments of merchandise subject to these inquiries on or after the date of the initiation of these inquiries (*i.e.*, August 12, 2019).⁹ Importers and exporters of CORE produced in Costa Rica from HRS and/or CRS

⁹ See *Corrosion-Resistant Steel Products from the People's Republic of China: Initiation of Anti-Circumvention Inquiries on the Antidumping Duty and Countervailing Duty Orders*, 84 FR 43585 (August 21, 2019) (*Initiation*

substrate manufactured outside China must certify that the HRS and/or CRS substrate further processed into CORE in Costa Rica did not originate in China, as provided for in the certifications attached to the accompanying *Federal Register* notice. Otherwise, their merchandise may be subject to AD and CVD duties.

V. CHANGES SINCE THE PRELIMINARY DETERMINATION

Commerce made no changes to its *Preliminary Determination* with regard to its analysis under the anti-circumvention factors of section 781(b) of the Act. For a complete description of our analysis, see the *Preliminary Determination*. We have made certain changes to the language in the certifications to provide guidance on who should complete the exporter certification, and to allow importers and exporters to clearly identify the parties involved in the sale(s) involving the export to the United States.¹⁰

VI. STATUTORY FRAMEWORK

Section 781 of the Act addresses circumvention of AD and/or CVD orders.¹¹ Section 781(b)(1) of the Act provides that Commerce, after taking into account any advice provided by the ITC under section 781(e) of the Act, may include imported merchandise within the scope of an order at any time an order is in effect, if: (A) the merchandise imported into the United States is of the same class or kind as any merchandise produced in a foreign country that is the subject of an AD/CVD order; (B) before importation into the United States, such imported merchandise is completed or assembled in a third country from merchandise which is subject to such an order or is produced in the foreign country with respect to which such order applies; (C) the process of assembly or completion in the third country is minor or insignificant; (D) the value of the merchandise produced in the foreign country to which the AD/CVD order applies is a significant portion of the total value of the merchandise exported to the United States; and (E) Commerce determines that action is appropriate to prevent evasion of an order.

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 third country; (B) the level of research and development (R&D) in the third country; (C) the nature of the production process in the third country; (D) the extent of production facilities in the third country; and (E) whether or not the value of processing performed in the third country represents a small proportion of the value of the merchandise into the United States. However, no single factor, by itself, controls Commerce's determination of whether the process of assembly or completion in a

Notice) and accompanying Memorandum, "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," dated August 12, 2019 (Initiation Decision Memorandum).

¹⁰ See unpublished *Federal Register* notice, *Certain Corrosion-Resistant Steel Products from the People's Republic of China: Affirmative Final Determination of Circumvention Involving Costa Rica*, dated concurrently with this notice, at Appendices II-IV.

¹¹ Specifically, the legislative history to section 781(b) indicates that Congress intended Commerce to make determinations regarding circumvention on a case-by-case basis, in recognition that the facts of individual cases and the nature of specific industries are widely variable. See S. Rep. No. 103-412 (1994), at 81-82.

third country is minor or insignificant.¹² Accordingly, it is Commerce's practice to evaluate each of these five factors as they exist in the third country, depending on the totality of the circumstances of the particular anti-circumvention inquiry.¹³

Furthermore, section 781(b)(3) of the Act sets forth the factors to consider in determining whether to include merchandise assembled or completed in a third country in an AD/CVD order. Specifically, Commerce shall take into account: (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 or not imports of the merchandise into the third country have increased after the initiation of the AD and/or CVD investigation that resulted in the issuance of an order.

VII. STATUTORY ANALYSIS

Section 781(b) of the Act directs Commerce to consider the criteria described above to determine whether merchandise completed or assembled in a third country circumvents an order. As explained below, based on an analysis of these criteria, we find that CORE produced in Costa Rica, using HRS or CRS manufactured in China, and exported to the United States, is circumventing the *China CORE Orders*.

Whether the Merchandise Imported into the United States is of the Same Class or Kind as Merchandise that is Subject to the China CORE Orders

Our analysis of this factor is unchanged from the *Preliminary Determination*. We continue to find that the finished CORE products produced in Costa Rica using Chinese HRS and/or CRS substrate and exported to the United States are of the same class or kind as other merchandise (*i.e.*, meets the physical description) that is subject to the *China CORE Orders*. See discussion in the PDM at 11 and 24.

Whether, Before Importation into the United States, Such Merchandise is Completed or Assembled in a Third Country from Merchandise that is Subject to the China CORE Orders, or Produced in the Foreign Country that is Subject to the China CORE Orders

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that the merchandise subject to these inquiries was completed or assembled in Costa Rica using Chinese-origin HRS and/or CRS substrate. See discussion in the PDM at 12 and 24.

Whether the Process of Assembly or Completion in the Third Country is Minor or Insignificant

¹² See Statement of Administrative Action Accompanying the Uruguay Round Agreements Act, H. Doc. 103-316, vol. 1 (1994) (SAA) at 893.

¹³ See, *e.g.*, *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.

(A) Level of Investment in Costa Rica

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that the level of investment undertaken by CORE producers in Costa Rica is minor compared to the level of investment required by the integrated steel mills in China. *See* discussion in the PDM at 12-14 and 24.

(B) Level of Research and Development (R&D) in Costa Rica

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that R&D expenses incurred by CORE producers in Costa Rica are not a significant factor in CORE production. *See* discussion in the PDM at 15-16 and 24.

(C) Nature of Production Process in Costa Rica and (D) Extent of Production Facilities in Costa Rica

We continue to find that the CORE manufacturing process occurring in Costa Rica represents a relatively minor portion of the overall production of finished CORE, in terms of the production stages and activities involved. With regard to the extent of the respondent's production facilities, we continue to find that the extent of Metalco's facilities is minor relative to the facilities of integrated steel producers in China. *See* discussion in the PDM at 16-18 and 24.

(E) Whether the Value of the Processing Performed in Costa Rica Represents a Small Proportion of the Value of the Merchandise Imported into the United States

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that the value of the processing performed in Costa Rica represents a small proportion of the value of the CORE Metalco exported to the United States. *See* discussion in the PDM at 18-20 and 24.

Whether the Value of the Merchandise Produced in China is a Significant Portion of the Total Value of the Merchandise Exported to the United States

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that the value of the merchandise produced in China *i.e.*, HRS and/or CRS, represents a significant proportion of the value of the CORE Metalco exported to the United States. *See* discussion in the PDM at 20-21 and 24.

Other Factors to Consider

(A) Pattern of Trade and Sourcing

Our findings regarding this factor are unchanged from the *Preliminary Determination*. Thus, we continue to find that a comparison of the pattern of trade during the 49-month period prior to the initiation of the anti-circumvention inquiries on the AD and CVD orders on CORE from China, *i.e.*, from June 2011 through June 2015, with the pattern of trade during the 49-month base

period of July 2015 through July 2019, supports a finding that circumvention has occurred. *See* discussion in the PDM at 21-22 and 24.

(B) Affiliation

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that Metalco is not affiliated with any Chinese producer and/or exporter of HRS and/or CRS. *See* discussion in the PDM at 22-23.

(C) Increased Imports

Our analysis of this factor is unchanged from the *Preliminary Determination*. Thus, we continue to find that the available data indicate that Chinese exports of HRS and/or CRS inputs to Costa Rica have increased since the initiation of the AD and CVD investigations on CORE from China, as discussed more fully in the PDM at 23 and 24.

Conclusion Regarding Statutory Factors

Pursuant to section 781(b)(1)(A) and (B) of the Act, we continue to find that CORE sold in the United States that was produced using HRS and/or CRS produced in China is of the same class or kind (*i.e.*, meets the physical description) as merchandise that is subject to the *China CORE Orders*, and was completed in Costa Rica from merchandise which is produced in China, the country to which the *China CORE Orders* applies. Moreover, pursuant to section 781(b)(1)(C) of the Act, after reviewing each factor under section 781(b)(2) of the Act, we find the process of completion in Costa Rica to be minor and insignificant based on the totality of the evidence. Further, in accordance with section 781(b)(1)(D) of the Act, we find that the value of the merchandise produced in China, *i.e.*, HRS and/or CRS, is a significant portion of the total value of the completed merchandise, CORE, exported to the United States. Upon taking into consideration the factors described in section 781(b)(3) of the Act, the patterns of trade, affiliation, and increased imports of HRS and/or CRS from China to Costa Rica following the initiation of the AD and CVD investigations on CORE from China, we determine that action is appropriate to prevent evasion of the *China CORE Orders* pursuant to section 781(b)(1)(E) of the Act. Consequently, our statutory analysis leads us to find that, in accordance with section 781(b) of the Act, there was circumvention of the *China CORE Orders* as a result of Chinese-origin HRS and/or CRS being completed into CORE in Costa Rica and exported to the United States. Therefore, in accordance with section 781(b) of the Act, we find that the merchandise subject to these inquiries should be considered to be within the scope of the *China CORE Orders*.

VIII. DISCUSSION OF THE ISSUES

Comment 1: Whether Metalco Should Be Eligible for Certification

*Metalco's Comments*¹⁴

¹⁴ *See* Metalco's Case Brief at 1-2.

- Although Metalco does not agree with Commerce’s finding that CORE completed by Metalco using Chinese HRS and/or CRS substrate was circumventing, and is included within the *China CORE Orders*, Metalco does not contest Commerce’s *Preliminary Determination* with respect to this finding.
- In the *Preliminary Determination*, Commerce found that CORE produced by Metalco in Costa Rica using HRS and/or CRS substrate that is not of Chinese origin is not subject to these inquiries. Accordingly, to ensure that U.S. Customs and Border Protection (CBP) does not incorrectly require AD or CVD deposits under the *China CORE Orders* for such merchandise, Commerce should continue to permit Metalco to certify the origin of the HRS and/or CRS substrate used to complete its CORE exported to the United States for the final results of these inquiries.

*Domestic Industry’s Rebuttal*¹⁵

- Record evidence establishes that Metalco’s shipments were circumventing the *China CORE Orders* during the period of the inquiries (*i.e.*, July 1, 2015 through July 31, 2019), and Metalco does not contest Commerce’s *Preliminary Determination*. Accordingly, Commerce should not change its affirmative preliminary finding of circumvention for the final results, and should continue to apply this determination on a country-wide basis.
- To prevent future circumvention of the *China CORE Orders*, Commerce should continue the certification regime established in the *Preliminary Determination*. Specifically, Commerce should permit Metalco to certify the origin of the HRS and/or CRS substrate used in its CORE exported to the United States, because verification established that Metalco can trace the origin of its HRS and/or CRS substrate. With respect to the non-responsive company (*i.e.*, Metas A.), Commerce should exclude it and any company exporting its merchandise, along with their importers, from participating in the certification regime until it can demonstrate in a future segment of this proceeding that its shipments of CORE to the United States are not completed using Chinese-origin HRS and/or CRS substrate.

Commerce’s Position: The record clearly demonstrates that Metalco is able to trace the origin of its HRS and/or CRS substrate used in the production of the CORE it exports to the United States. As the verification report notes, Metalco maintains purchase order documents within its accounting system that indicate the origin of its HRS and CRS substrate, which are linked to accounting records of finished goods exported to the United States and other destinations by internal HRS and/or CRS coil lot numbers.¹⁶ Additionally, Metalco maintains mill certificates for its coil purchases.¹⁷ Metalco demonstrated the manual process it used to tie the substrate purchased from China to the finished CORE it exported to the United States that was reported in its questionnaire responses.¹⁸ Commerce officials performed numerous completeness tests of both Metalco’s sales of CORE completed with Chinese substrate and of all CORE Metalco sold to the United States, and confirmed that the finished good material numbers for these sales are linked to individual coil material codes, supplier lot numbers, and purchase orders identifying the

¹⁵ See Domestic Industry’s Rebuttal Brief at 1-6.

¹⁶ See, *e.g.*, Metalco Verification Report at 5 and 11.

¹⁷ *Id.* at 22.

¹⁸ *Id.* at 15-21.

origin of the substrate.¹⁹ Accordingly, information on the record demonstrates that Metalco maintains this supplier information in the ordinary course of business with which it is able to certify the country of origin of the HRS and/or CRS substrate used in each shipment of CORE to the United States.²⁰ The record also indicates that Metalco is able to trace all substrate purchased from China through to the final CORE produced, which is the type of product at issue in these inquiries.²¹

The certification process established in the *Preliminary Determination* is intended to allow importers of CORE from Costa Rican companies that are not circumventing the *China CORE Orders* to import CORE from Costa Rica into the United States and not be subject to AD and CVD cash deposit requirements. Using the information and data provided by Metalco, we were able to undertake all analyses required to make a country-wide determination. We find that Metalco has fully cooperated in these inquiries and is therefore eligible to participate in the certification process. Moreover, Metalco does not contest our decision to establish a certification regime or the certification requirements for these inquiries.

Additionally, Commerce finds it necessary to limit eligibility for the certification process to prevent circumvention by the entity that was non-responsive during these anti-circumvention inquiries. With respect to the non-responsive Costa Rican company (*i.e.*, Metas A.), we continue to find that it is not eligible to certify the origin of the substrate used to complete the CORE it exports to the United States because it failed to cooperate by not acting to the best of its ability to comply with Commerce's requests for information.²² We make this finding because Metas A. has not demonstrated to our satisfaction that its shipments of CORE from Costa Rica to the United States during the period of inquiries were made from non-Chinese-origin inputs. We also continue to rely on our application of facts available with an adverse inference for Metas A., finding that CORE made from Chinese-origin substrate that is completed in Costa Rica and then exported to the United States is circumventing the *China CORE Orders*, and we are applying these findings on a country-wide basis. Specifically, given that Metalco and Metas A. account for a large volume of CORE exported from Costa Rica to the United States,²³ we find that these companies' production processes are representative of other CORE producers in Costa Rica, and are therefore applying this affirmative finding to all shipments of CORE from Costa Rica on or after August 12, 2019, the date of initiation of these anti-circumvention inquiries, in accordance with section 781(b) of the Act and 19 CFR 351.225(l).

IX. RECOMMENDATION

Based on our analysis of the comments received and our findings at verification, we recommend adopting the above positions. We recommend finding, based on the analysis and findings detailed above and in the *Preliminary Determination*, that CORE produced in Costa Rica using HRS and/or CRS substrate sourced from China is circumventing the *China CORE Orders*. We

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² See *Preliminary Determination* and accompanying IDM at 10.

²³ See Memorandum, "Antidumping and Countervailing Duty Anti-Circumvention Inquiries of Certain Corrosion-Resistant Steel Products from Costa Rica: Customs Entry Data," dated August 22, 2019 at Attachment.

further recommend continuing to apply this finding to all CORE produced in Costa Rica using HRS and/or CRS substrate sourced from China that is exported from Costa Rica to the United States, except for shipments complying with the certification requirements described in the *Federal Register* notice.

If this recommendation is accepted, we will publish the final determination in these inquiries in the *Federal Register*.

Agree

Disagree

X 

Signed by: JEFFREY KESSLER

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance