

section, with an outside diameter (O.D.) not more than nominal 16 inches (406.4 mm), regardless of wall thickness, surface finish (e.g., black, galvanized, or painted), end finish (plain end, beveled end, grooved, threaded, or threaded and coupled), or industry specification (e.g., American Society for Testing and Materials International (ASTM), proprietary, or other), generally known as standard pipe, fence pipe and tube, sprinkler pipe, and structural pipe (although subject product may also be referred to as mechanical tubing). Specifically, the term "carbon quality" includes products in which:

- (a) iron predominates, by weight, over each of the other contained elements;
- (b) the carbon content is 2 percent or less, by weight; and
- (c) none of the elements listed below exceeds the quantity, by weight, as indicated:
  - (i) 1.80 percent of manganese;
  - (ii) 2.25 percent of silicon;
  - (iii) 1.00 percent of copper;
  - (iv) 0.50 percent of aluminum;
  - (v) 1.25 percent of chromium;
  - (vi) 0.30 percent of cobalt;
  - (vii) 0.40 percent of lead;
  - (viii) 1.25 percent of nickel;
  - (ix) 0.30 percent of tungsten;
  - (x) 0.15 percent of molybdenum;
  - (xi) 0.10 percent of niobium;
  - (xii) 0.41 percent of titanium;
  - (xiii) 0.15 percent of vanadium; or
  - (xiv) 0.15 percent of zirconium.

Covered products are generally made to standard O.D. and wall thickness combinations. Pipe multi-stenciled to a standard and/or structural specification and to other specifications, such as American Petroleum Institute (API) API-5L specification, may also be covered by the scope of these investigations. In particular, such multi-stenciled merchandise is covered when it meets the physical description set forth above, and also has one or more of the following characteristics: Is 32 feet in length or less; is less than 2.0 inches (50 mm) in outside diameter; has a galvanized and/or painted (e.g., polyester coated) surface finish; or has a threaded and/or coupled end finish.

Standard pipe is ordinarily made to ASTM specifications A53, A135, and A795, but can also be made to other specifications. Structural pipe is made primarily to ASTM specifications A252 and A500. Standard and structural pipe may also be produced to proprietary specifications rather than to industry specifications.

Sprinkler pipe is designed for sprinkler fire suppression systems and may be made to industry specifications such as ASTM A53 or to proprietary specifications.

Fence tubing is included in the scope regardless of certification to a specification listed in the exclusions below, and can also be made to the ASTM A513 specification. Products that meet the physical description set forth above but are made to the following nominal outside diameter and wall thickness combinations, which are recognized by the industry as typical for fence tubing, are included despite being certified to ASTM mechanical tubing specifications:

O.D. in inches (nominal)	Wall thickness in inches (nominal)	Gauge
1.315 .....	0.035	20
1.315 .....	0.047	18
1.315 .....	0.055	17
1.315 .....	0.065	16
1.315 .....	0.072	15
1.315 .....	0.083	14
1.315 .....	0.095	13
1.660 .....	0.055	17
1.660 .....	0.065	16
1.660 .....	0.083	14
1.660 .....	0.095	13
1.660 .....	0.109	12
1.900 .....	0.047	18
1.900 .....	0.055	17
1.900 .....	0.065	16
1.900 .....	0.072	15
1.900 .....	0.095	13
1.900 .....	0.109	12
2.375 .....	0.047	18
2.375 .....	0.055	17
2.375 .....	0.065	16
2.375 .....	0.072	15
2.375 .....	0.095	13
2.375 .....	0.109	12
2.375 .....	0.120	11
2.875 .....	0.109	12
2.875 .....	0.165	8
3.500 .....	0.109	12
3.500 .....	0.165	8
4.000 .....	0.148	9
4.000 .....	0.165	8
4.500 .....	0.203	7

The scope of this investigation does not include:

- (a) pipe suitable for use in boilers, superheaters, heat exchangers, refining furnaces and feedwater heaters, whether or not cold drawn, which are defined by standards such as ASTM A178 or ASTM A192;

- (b) finished electrical conduit, *i.e.*, Electrical Rigid Steel Conduit (also known as Electrical Rigid Metal Conduit and Electrical Rigid Metal Steel Conduit), Finished Electrical Metallic Tubing, and Electrical Intermediate Metal Conduit, which are defined by specifications such as American National Standard (ANSI) C80.1-2005, ANSI C80.3-2005, or ANSI C80.6-2005, and Underwriters Laboratories Inc. (UL) UL-6, UL-797, or UL-1242;

- (c) finished scaffolding, *i.e.*, component parts of final, finished scaffolding that enter the United States unassembled as a "kit." A kit is understood to mean a packaged combination of component parts that contains, at the time of importation, all of the necessary component parts to fully assemble final, finished scaffolding;

- (d) tube and pipe hollows for redrawing;

- (e) oil country tubular goods produced to API specifications;

- (f) line pipe produced to only API specifications, such as API 5L, and not multi-stenciled; and

- (g) mechanical tubing, whether or not cold-drawn, other than what is included in the above paragraphs.

The products subject to this investigation are currently classifiable in Harmonized

Tariff Schedule of the United States (HTSUS) statistical reporting numbers 7306.19.1010, 7306.19.1050, 7306.19.5110, 7306.19.5150, 7306.30.1000, 7306.30.5015, 7306.30.5020, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085, 7306.30.5090, 7306.50.1000, 7306.50.5030, 7306.50.5050, and 7306.50.5070. The HTSUS subheadings above are provided for convenience and U.S. Customs purposes only. The written description of the scope of the investigation is dispositive.

## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Margin Calculations
- V. Discussion of the Issues
  1. Management Fees
  2. Weight Basis for Ajmal Steel
  3. Ajmal Steel's Rebate Adjustment
  4. Depreciation on Revalued Assets for Ajmal Steel
  5. General and Administrative and Financial Expenses for Ajmal Steel
  6. Revision of Ajmal Steel's POI Depreciation Analysis
  7. Universal's Level of Trade Adjustment
  8. Credit Expenses for one of Universal's U.S. Customers
  9. U.S. Packing Costs for Universal
  10. Sales to Universal's Affiliated Reseller Al Zaher Building Materials LLC
- VI. Recommendation

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## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-032]

### Certain Iron Mechanical Transfer Drive Components From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

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

**SUMMARY:** The Department of Commerce (the "Department") determines that certain iron mechanical transfer drive components ("IMTDC") from the People's Republic of China ("PRC") are being, or are likely to be, sold in the United States at less than fair value ("LTFV"). The period of investigation ("POI") is April 1, 2015 through September 30, 2015. The final weighted-average dumping margins of sales at LTFV are listed in the "Final Determination Dumping Margins" section of this notice.

**DATES:** Effective October 28, 2016.

**FOR FURTHER INFORMATION CONTACT:** Krishna Hill or Jonathan Hill, AD/CVD

Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230; telephone (202) 482-4037 or (202) 482-3518, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On June 8, 2016, the Department published in the **Federal Register** its preliminary affirmative determination in the LTFV investigation of IMTDC from the PRC.<sup>1</sup>

A summary of the events that occurred since the Department published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>2</sup> The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

##### Period of Investigation

The period of investigation ("POI") is April 1, 2015, through September 30, 2015.

##### Scope of the Investigation

The products covered by this investigation are iron mechanical transfer drive components. These products are properly classified under Harmonized Tariff Schedule of the

United States ("HTSUS") subheadings 8483.30.8090, 8483.50.6000, 8483.50.9040, 8483.50.9080, 8483.90.3000, 8483.90.8080. Covered merchandise may also enter under the following HTSUS subheadings: 7325.10.0080, 7325.99.1000, 7326.19.0010, 7326.19.0080, 8431.31.0040, 8431.31.0060, 8431.39.0010, 8431.39.0050, 8431.39.0070, 8431.39.0080, and 8483.50.4000. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive. For a complete description of the scope of the investigation, see Appendix I to this notice.

##### Scope Comments

Since the *Preliminary Determination*, Petitioner, as well as interested parties Caterpillar Inc., Carrier Corporation, Dahua Machine Manufacturing Co. Ltd., General Motors Corporation, Kohler Co., Mercury Marine, Otis Elevator Company, Speed Solutions International Inc., ZF Services, LLC, and Vibracoustic North America LP, commented on the scope of this investigation as well as the companion IMTDCs LTFV investigation from the Canada and IMTDCs countervailing duty investigation from the PRC. The Department reviewed these comments and has incorporated into the scope of these investigations Petitioner's exclusion for certain flywheels with a permanently attached outer ring gear and for certain parts of torsional vibration dampers. For further discussion, see the "Final Scope Decision Memorandum."<sup>3</sup> The scope in Appendix I reflects the final modified scope language.

##### Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in either the Final Determination Scope Decision Memorandum or the Issues and Decision Memorandum accompanying this notice, which is hereby adopted by this notice. A list of the issues

addressed in the Issues and Decision Memorandum is attached to this notice at Appendix II.

##### Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended ("the Act"), in June 2016, we verified the sales and factors of production information submitted by Powermach Import & Export Co., Ltd. ("Powermach"),<sup>4</sup> the sole participating individually examined respondent. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Powermach.<sup>5</sup>

##### Separate Rates

In the *Preliminary Determination*, the Department granted separate-rate status to all of the companies which provided separate rates information, except NOK (Wuxi) Vibration Control China Co. Ltd. ("NVCC"), which withdrew from participation as a mandatory respondent in this investigation, and Baldor Electric Canada ("Baldor") and Yueqing Bethel Shaft Collar Manufacturing Co., Ltd. ("Yueqing Bethel"), which failed to respond to the Department's request for supplemental information. In this final determination, the Department has continued to treat these three companies as part of the PRC-wide entity and is also treating Zhejiang Dongxing Auto Parts Co., Ltd. ("Dongxing") as part of the PRC-wide entity. For a full discussion of the Department's separate rates determinations with respect to Baldor, Yueqing Bethel, and Dongxing (no parties commented on the Department's separate rate determination with respect to NVCC)

<sup>4</sup> We have continued to treat Powermach Import & Export Co., Ltd., Sichuan Dawn Precision Technology Co., Ltd., Sichuan Dawn Foundry Co., Ltd., and Powermach Co., Ltd. as a single entity based upon consideration of the factors in 19 CFR 351.401(f). See Memorandum from Krishna Hill, International Trade Analyst, AD/CVD Operations, Office IV through Howard Smith, Program Manager, AD/CVD Operations, Office IV to Abdelali Elouaradia, Office Director, AD/CVD Operations, Office IV, regarding "Certain Iron Mechanical Transfer Drive Components from The People's Republic of China: Preliminary Affiliation and Collapsing Memorandum" (May 31, 2016).

<sup>5</sup> See Memorandum from Krishna Hill, International Trade Compliance Analyst, Office IV, Enforcement and Compliance and Jonathan Hill, International Trade Compliance Analyst, Office IV, Enforcement and Compliance through Howard Smith, Program Manager, Office IV Enforcement and Compliance to The File "Verification Report of the Sales and Factors Responses of Powermach Import & Export Co., Ltd. (Sichuan), Sichuan Dawn Precision Technology Co., Ltd., Sichuan Dawn Foundry Co., Ltd., and Powermach Co., Ltd. in the Antidumping Duty Investigation of Certain Iron Mechanical Transfer Drive Components from the People's Republic of China," dated August 3, 2016.

<sup>1</sup> See *Certain Iron Mechanical Transfer Drive Components From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 36876 (June 8, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Ronald Lorentzen, Acting Assistant Secretary for Enforcement and Compliance, "Antidumping Duty Investigation of Certain Iron Mechanical Transfer Drive Components from the People's Republic of China: Issues and Decision Memorandum for the Final Determination of Sales at Less-Than-Fair-Value," ("Issues and Decision Memorandum"), dated concurrently with this determination and hereby adopted by this notice.

<sup>3</sup> See Memorandum from Abdelali Elouaradia, Director, Office IV, Antidumping and Countervailing Duty Operations, to Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, regarding "Antidumping Duty Investigations of Certain Iron Mechanical Transfer Drive Components from Canada and the People's Republic of China and Countervailing Duty Investigation of Certain Iron Mechanical Transfer Drive Components from the People's Republic of China: Scope Decision Memorandum for the Final Determinations," ("Final Scope Decision Memorandum") dated concurrently with this final determination.

see the Issues and Decision Memorandum.

### Changes to the Dumping Margin Calculations Since the Preliminary Determination

Based on the Department's analysis of the comments received and findings at verification, we made certain changes to our dumping margin calculations. For a discussion of these changes, see the Issues and Decision Memorandum.

### Dumping Margins for Non-Individually Examined Respondents

Under section 735(c)(5)(A) of the Act, the estimated rate for all companies that have not been individually examined is normally equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding any zero and *de minimis* dumping margins, and any dumping margins determined entirely on the basis of facts available. In this final determination, we calculated a weighted-average dumping margin for Powermach (the only cooperating mandatory respondent) which is not

zero, *de minimis*, or based entirely on facts available. Accordingly, we assigned Powermach's weighted-average dumping margin to non-individually examined PRC exporters qualifying for a separate rate.

### PRC-Wide Rate

In our *Preliminary Determination*, we found that the PRC-wide entity, which includes certain PRC exporters and/or producers that did not respond to the Department's requests for information, failed to provide necessary information, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. We also find that they failed to cooperate. As a result, we preliminarily determined to calculate the PRC-wide dumping margin on the basis of adverse facts available ("AFA") pursuant to section 776(b) of the Act. We compared the petition dumping margins to the dumping margins that we calculated for Powermach, the participating individually examined respondent, in order to determine the probative value of the dumping margins

in the petition for use as AFA. We continue to find that the highest petition dumping margin, 401.68 percent, is reliable and relevant because it is within the range of the transaction-specific dumping margins on the record for Powermach. Therefore, we assigned this dumping margin (*i.e.*, 401.68 percent) to the PRC-wide entity.

### Combination Rates

In the *Initiation Notice*, the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation.<sup>6</sup> Policy Bulletin 05.1 describes this practice.<sup>7</sup>

### Final Determination Dumping Margins

For this final determination, the Department determines that IMTDC are being or likely to be sold in the United States at LTFV, as provided in section 735 of the Act. The Department determines that the following weighted-average dumping margins exist during the period April 1, 2015, through September 30, 2015:

Exporter	Producer	Weighted-average dumping margin (percent)
Powermach Import & Export Co., Ltd. (Sichuan)/Sichuan Dawn Precision Technology Co., Ltd./Sichuan Dawn Foundry Co., Ltd./Powermach Co., Ltd.	Powermach Import & Export Co., Ltd. (Sichuan)/Sichuan Dawn Precision Technology Co., Ltd./Sichuan Dawn Foundry Co., Ltd./Powermach Co., Ltd.	13.64
Fuqing Jiacheng Trading Corporation Limited	Fuzhou Min Yue Mechanical & Electrical Co., Ltd	13.64
Haiyang Jingweida Gearing Co., Ltd	Haiyang Jingweida Gearing Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Shijiazhuang CAPT Power Transmission Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Shanghai CPT Machinery Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Yueqing Bethel Shaft Collar Manufacturing Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Kezheng (Fuzhou) Mechanical & Electrical Manufacture Co., Ltd.	13.64
Hangzhou Powertrans Co., Ltd	Handan Hengfa Transmission Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Shijiazhuang Lihua Mechanical Manufacturing Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Xingtai Shengjia Machinery and Equipment Factory	13.64
Hangzhou Powertrans Co., Ltd	Shanghai Keli Machinery Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Jiangsu Zhengya Technology Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Taizhou Feiyang Metal Spinning Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Taizhou Pengxun Machinery Manufacturing Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Guangde Ronghua Machinery Manufacturing Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	QiuXian Hengxin Machinery Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Reach Machinery Enterprise	13.64
Hangzhou Powertrans Co., Ltd	Chengdu Novo Machinery Co., Ltd	13.64
Hangzhou Powertrans Co., Ltd	Chengdu Leno Machinery Co., Ltd	13.64
Shijiazhuang CAPT Power Transmission Co., Ltd	Shijiazhuang CAPT Power Transmission Co., Ltd	13.64
Xinguang Technology Co. Ltd of Sichuan Province	Sichuan Dawn Precision Technology Co., Ltd	13.64
PRC-Wide Entity		401.68

### Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S.

Customs and Border Protection ("CBP") to continue to suspend liquidation of all entries of IMTDC from the PRC, which were entered, or withdrawn from

warehouse, for consumption on or after June 8, 2016, the date of publication in the **Federal Register** of the affirmative *Preliminary Determination*. Further,

<sup>6</sup> See *Initiation Notice*, 81 FR at 9438–39.

<sup>7</sup> See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates

Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," dated April 5, 2005 (Policy

Bulletin 05.1), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

pursuant to section 735(c)(1)(B)(ii) of the Act, the Department will instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds U.S. price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through,<sup>8</sup> as follows: (1) For the exporter/producer combinations listed in the table above, the cash deposit rate is the weighted-average dumping margin listed for that combination in the table; (2) for all combinations of PRC exporters/producers of merchandise under consideration not listed in the table above, the cash deposit rate is the weighted average dumping margin listed for the PRC-wide entity in the table above; and (3) for all non-PRC exporters of merchandise under consideration not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. The suspension of liquidation instructions will remain in effect until further notice.

In a LTFV investigation with a companion countervailing duty (“CVD”) investigation, we normally adjust antidumping duty cash deposit rates by the amount of export subsidies, where appropriate. In the companion CVD investigation, we found that Powermach did not receive export subsidies. The countervailing duty rate for all-others companies in the CVD case is based on Powermach’s countervailing duty rate, and thus all-others companies were not assigned an export subsidy rate. Therefore, no offset to Powermach’s or the separate rate entities’ antidumping duty cash deposit rates for export subsidies is necessary. Additionally, we likewise are not adjusting the antidumping duty cash deposit rate applicable to the PRC-wide entity for export subsidies.

Pursuant to 777A(f) of the Act, we are not adjusting the antidumping duty cash deposit rates for estimated domestic subsidy pass-through. Based on the data on the record of this investigation, the Department continues to find that there was not a general decrease in the U.S. average import price during the relevant period. Thus, the Department continues to find that the requirement under section 777A(f)(1)(B) of the Act has not been met, and has not made an adjustment to the antidumping duty cash deposit rates under section 777A(f) of the Act.

## Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

## International Trade Commission (“ITC”) Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of IMTDC from the PRC no later than 45 days after our final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

## Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to the parties subject to administrative protective order (“APO”) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this determination in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: October 21, 2016.

**Ronald K. Lorentzen,**

*Acting Assistant Secretary for Enforcement and Compliance.*

## Appendix I

### Scope of the Investigation

The products covered by this investigation are iron mechanical transfer drive components, whether finished or unfinished (*i.e.*, blanks or castings). Subject iron

mechanical transfer drive components are in the form of wheels or cylinders with a center bore hole that may have one or more grooves or teeth in their outer circumference that guide or mesh with a flat or ribbed belt or like device and are often referred to as sheaves, pulleys, flywheels, flat pulleys, idlers, conveyer pulleys, synchronous sheaves, and timing pulleys. The products covered by this investigation also include bushings, which are iron mechanical transfer drive components in the form of a cylinder and which fit into the bore holes of other mechanical transfer drive components to lock them into drive shafts by means of elements such as teeth, bolts, or screws.

Iron mechanical transfer drive components subject to this investigation are those not less than 4.00 inches (101 mm) in the maximum nominal outer diameter.

Unfinished iron mechanical transfer drive components (*i.e.*, blanks or castings) possess the approximate shape of the finished iron mechanical transfer drive component and have not yet been machined to final specification after the initial casting, forging or like operations. These machining processes may include cutting, punching, notching, boring, threading, mitering, or chamfering.

Subject merchandise includes iron mechanical transfer drive components as defined above that have been finished or machined in a third country, including but not limited to finishing/machining processes such as cutting, punching, notching, boring, threading, mitering, or chamfering, 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 iron mechanical transfer drive components.

Subject iron mechanical transfer drive components are covered by the scope of the investigation regardless of width, design, or iron type (*e.g.*, gray, white, or ductile iron). Subject iron mechanical transfer drive components are covered by the scope of the investigation regardless of whether they have non-iron attachments or parts and regardless of whether they are entered with other mechanical transfer drive components or as part of a mechanical transfer drive assembly (which typically includes one or more of the iron mechanical transfer drive components identified above, and which may also include other parts such as a belt, coupling and/or shaft). When entered as a mechanical transfer drive assembly, only the iron components that meet the physical description of covered merchandise are covered merchandise, not the other components in the mechanical transfer drive assembly (*e.g.*, belt, coupling, shaft). However, the scope excludes flywheels with a ring gear permanently attached onto the outer diameter. A ring gear is a steel ring with convex external teeth cut or machined into the outer diameter, and where the diameter of the ring exceeds 200 mm and doesn’t exceed 2,244.3 mm.

For purposes of this investigation, a covered product is of “iron” where the article has a carbon content of 1.7 percent by weight or above, regardless of the presence and amount of additional alloying elements.

Excluded from the scope are finished torsional vibration dampers (TVDs). A

<sup>8</sup> See sections 772(c)(1)(C) and 777A(f) of the Act, respectively.

finished TVD is an engine component composed of three separate components: an inner ring, a rubber ring and an outer ring. The inner ring is an iron wheel or cylinder with a bore hole to fit a crank shaft which forms a seal to prevent leakage of oil from the engine. The rubber ring is a dampening medium between the inner and outer rings that effectively reduces the torsional vibration. The outer ring, which may be made of materials other than iron, may or may not have grooves in its outer circumference. To constitute a finished excluded TVD, the product must be composed of each of the three parts identified above and the three parts must be permanently affixed to one another such that both the inner ring and the outer ring are permanently affixed to the rubber ring. A finished TVD is excluded only if it meets the physical description provided above; merchandise that otherwise meets the description of the scope and does not satisfy the physical description of excluded finished TVDs above is still covered by the scope of the investigation regardless of end use or identification as a TVD.

Also excluded from the scope are certain TVD inner rings. To constitute an excluded TVD inner ring, the product must have each of the following characteristics: (1) A single continuous curve forming a protrusion or indentation on outer surface, also known as a sine lock, with a height or depth not less than 1.5 millimeters and not exceeding 4.0 millimeters and with a width of at least 10 millimeters as measured across the sine lock from one edge of the curve to the other;<sup>9</sup> (2) a face width of the outer diameter of greater than or equal to 20 millimeters but less than or equal to 80 millimeters; (3) an outside diameter greater than or equal to 101 millimeters but less than or equal to 300 millimeters; and (4) a weight not exceeding 7 kilograms. A TVD inner ring is excluded only if it meets the physical description provided above; merchandise that otherwise meets the description of the scope and does not satisfy the physical description of excluded TVD inner rings is still covered by the scope of this investigation regardless of end use or identification as a TVD inner ring.

The scope also excludes light-duty, fixed-pitch, non-synchronous sheaves ("excludable LDFPN sheaves") with each of the following

characteristics: made from grey iron designated as ASTM (North American specification) Grade 30 or lower, GB/T (Chinese specification) Grade HT200 or lower, DIN (German specification) GG 20 or lower, or EN (European specification) EN-GJL 200 or lower; having no more than two grooves; having a maximum face width of no more than 1.75 inches, where the face width is the width of the part at its outside diameter; having a maximum outside diameter of not more than 18.75 inches; and having no teeth on the outside or datum diameter. Excludable LDFPN sheaves must also either have a maximum straight bore size of 1.6875 inches with a maximum hub diameter of 2.875 inches; or else have a tapered bore measuring 1.625 inches at the large end, a maximum hub diameter of 3.50 inches, a length through tapered bore of 1.0 inches, exactly two tapped holes that are 180 degrees apart, and a 2.0-inch bolt circle on the face of the hub. Excludable LDFPN sheaves more than 6.75 inches in outside diameter must also have an arm or spoke construction.<sup>10</sup> Further, excludable LDFPN sheaves must have a groove profile as indicated in the table below:

Size (belt profile)	Outside diameter	Top width range of each groove (inches)	Maximum height (inches)	Angle (°)
MA/AK (A, 3L, 4L) .....	≤5.45 in .....	0.484–0.499	0.531	34
MA/AK (A, 3L, 4L) .....	>5.45 in. but ≤18.75 in .....	0.499–0.509	0.531	38
MB/BK (A, B, 4L, 5L) .....	≤7.40 in .....	0.607–0.618	0.632	34
MB/BK (A, B, 4L, 5L) .....	>7.40 in. but ≤18.75 in .....	0.620–0.631	0.635	38

In addition to the above characteristics, excludable LDFPN sheaves must also have a maximum weight (pounds-per-piece) as follows: for excludable LDFPN sheaves with one groove and an outside diameter of greater than 4.0 inches but less than or equal to 8.0 inches, the maximum weight is 4.7 pounds; for excludable LDFPN sheaves with two grooves and an outside diameter of greater than 4.0 inches but less than or equal to 8.0 inches, the maximum weight is 8.5 pounds; for excludable LDFPN sheaves with one groove and an outside diameter of greater than 8.0 inches but less than or equal to 12.0 inches, the maximum weight is 8.5 pounds; for excludable LDFPN sheaves with two grooves and an outside diameter of greater than 8.0 inches but less than or equal to 12.0 inches, the maximum weight is 15.0 pounds; for excludable LDFPN sheaves with one groove and an outside diameter of greater than 12.0 inches but less than or equal to 15.0 inches, the maximum weight is 13.3 pounds; for excludable LDFPN sheaves with two grooves and an outside diameter of greater than 12.0 inches but less than or equal to 15.0 inches, the maximum weight is 17.5 pounds; for excludable LDFPN sheaves with one groove and an outside diameter of greater than 15.0 inches but less than or

equal to 18.75 inches, the maximum weight is 16.5 pounds; and for excludable LDFPN sheaves with two grooves and an outside diameter of greater than 15.0 inches but less than or equal to 18.75 inches, the maximum weight is 26.5 pounds.

The scope also excludes light-duty, variable-pitch, non-synchronous sheaves with each of the following characteristics: made from grey iron designated as ASTM (North American specification) Grade 30 or lower, GB/T (Chinese specification) Grade HT200 or lower, DIN (German specification) GG 20 or lower, or EN (European specification) EN-GJL 200 or lower; having no more than 2 grooves; having a maximum overall width of less than 2.25 inches with a single groove, or of 3.25 inches or less with two grooves; having a maximum outside diameter of not more than 7.5 inches; having a maximum bore size of 1.625 inches; having either one or two identical, internally-threaded (*i.e.*, with threads on the inside diameter), adjustable (rotating) flange(s) on an externally-threaded hub (*i.e.*, with threads on the outside diameter) that enable(s) the width (opening) of the groove to be changed; and having no teeth on the outside or datum diameter.

The scope also excludes certain IMTDC bushings. An IMTDC bushing is excluded only if it has a tapered angle of greater than or equal to 10 degrees, where the angle is measured between one outside tapered surface and the directly opposing outside tapered surface.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States ("HTSUS") subheadings 8483.30.8090, 8483.50.6000, 8483.50.9040, 8483.50.9080, 8483.90.3000, 8483.90.8080. Covered merchandise may also enter under the following HTSUS subheadings: 7325.10.0080, 7325.99.1000, 7326.19.0010, 7326.19.0080, 8431.31.0040, 8431.31.0060, 8431.39.0010, 8431.39.0050, 8431.39.0070, 8431.39.0080, and 8483.50.4000. These HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the investigation is dispositive.

## Appendix II

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

#### I. Summary

#### II. Background

diameter is solid with a uniform thickness that is the same thickness as the hub of the sheave) or a web construction (in which the material between the hub and the outside diameter is solid but is thinner than at the hub of the sheave).

<sup>9</sup> The edges of the sine lock curve are defined as the points where the surface of the inner ring is no longer parallel to the plane formed by the inner surface of the bore hole that attaches the ring to the crankshaft.

<sup>10</sup> An arm or spoke construction is where arms or spokes (typically 3 to 6) connect the outside diameter of the sheave with the hub of the sheave. This is in contrast to a block construction (in which the material between the hub and the outside

## III. Scope Comments

## IV. Scope of the Investigation

## V. Discussion of the Issues:

- Comment 1: Treatment of Input
- Comment 2: Per-Unit Consumption
- Comment 3: Generated Iron Scrap
- Comment 4: By-Product Offset
- Comment 5: Underreported Consumption
- Comment 6: Mold Workshop Labor
- Comment 7: Separate Rate Status for Baldor Electric Company Canada
- Comment 8: Separate Rate Status for Zhejiang Damon Industrial Equipment Co., Ltd.
- Comment 9: Separate Rate Status for Zhejiang Dongxing Auto Parts Co., Ltd.
- Comment 10: Separate Rate Status for Yueqing Bethel Shaft Collar Manufacturing Co., Ltd.
- Comment 11: Surrogate Value for Labor
- Comment 12: Surrogate Value for Baking Coal
- Comment 13: Surrogate Value for Anti-tarnish Paper
- Comment 14: Surrogate Value for Spheroidizing Agent
- Comment 15: Surrogate Value for Rail Freight
- Comment 16: Selection of Financial Statements
- Comment 17: SG&A Expense Calculation in Thai Ductile Industry Co. Ltd.'s Financial Statements

## VI. Recommendation

[FR Doc. 2016-26104 Filed 10-27-16; 8:45 am]

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## DEPARTMENT OF COMMERCE

## International Trade Administration

[C-570-031]

### Countervailing Duty Investigation of Certain Iron Mechanical Transfer Drive Components From the People's Republic of China: Final Affirmative Determination

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

**SUMMARY:** The Department of Commerce (the "Department") determines that countervailable subsidies are being provided to producers and exporters of certain iron mechanical transfer drive components ("IMTDCs") from the People's Republic of China (the "PRC"). For information on the estimated subsidy rates, see the "Final Determination and Suspension of Liquidation" section of this notice.

**DATES:** Effective October 28, 2016.

**FOR FURTHER INFORMATION CONTACT:** Robert Galantucci, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 482-2923.

## SUPPLEMENTARY INFORMATION:

## Background

The Department published the *Preliminary Determination* on April 11, 2016.<sup>1</sup> A summary of the events that occurred since the Department published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum<sup>2</sup> issued concurrently with this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS"). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

## Period of Investigation

The period of investigation for which we are measuring subsidies is January 1, 2014 through December 31, 2014.

## Scope Comments

The Department set aside a period of time for parties to address scope issues.<sup>3</sup> For a summary of the product coverage comments submitted to the record of this final determination, and the Department's discussion and analysis of all comments timely received, see the Final Scope Decision Memorandum.<sup>4</sup>

<sup>1</sup> See *Countervailing Duty Investigation of Certain Iron Mechanical Transfer Drive Components From the People's Republic of China: Preliminary Affirmative Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 81 FR 21316 (April 11, 2016) ("Preliminary Determination") and accompanying Issues and Decision Memorandum ("Preliminary Decision Memorandum").

<sup>2</sup> See Memorandum, "Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Certain Iron Mechanical Transfer Drive Components from the People's Republic of China," dated concurrently with this determination and hereby adopted by this notice ("Issues and Decision Memorandum").

<sup>3</sup> See Memorandum, "Certain Iron Mechanical Transfer Drive Components from Canada and the People's Republic of China: Deadline for Scope Comments," July 19, 2016.

<sup>4</sup> See Memorandum, "Antidumping Duty Investigations of Certain Iron Mechanical Transfer Drive Components from Canada and the People's Republic of China and Countervailing Duty Investigation of Certain Iron Mechanical Transfer Drive Components from the People's Republic of China: Scope Decision Memorandum for the Final

The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

## Scope of the Investigation

The products covered by this investigation are IMTDCs from the PRC. For a complete description of the scope of this investigation, see the "Scope of the Investigation," in Appendix II of this notice.

## Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation, and the issues raised in the case and rebuttal briefs submitted by the parties, are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix I.

## Use of Adverse Facts Available ("AFA")

In making its findings, the Department relied, in part, on facts available. For mandatory respondent NOK (Wuxi) Vibration Control China Co. Ltd. ("NOK Wuxi"), we are basing the countervailing duty ("CVD") rate on facts otherwise available, pursuant to sections 776(a)(2)(C) and (D) of the Tariff Act of 1930, as amended (the "Act"). Further, because NOK Wuxi did not cooperate to the best of its ability in this investigation, we determine that an adverse inference is warranted, pursuant to section 776(b) of the Act. The Department has applied a total AFA rate to NOK Wuxi. Similarly, the Department has applied a total AFA rate to 30 companies that failed to respond to the Department's quantity and value questionnaire.<sup>5</sup>

Additionally, in several instances the Department has applied partial AFA to calculate subsidy rates for the other mandatory respondent Powermach Import & Export Co., Ltd. (Sichuan) ("Powermach I&E"). For further information, see the section titled "Use of Facts Otherwise Available and Adverse Inferences," in the Issues and Decision Memorandum.

## Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties,

Determinations," ("Final Scope Decision Memorandum") dated concurrently with this final determination; see also Memorandum, "Certain Iron Mechanical Transfer Drive Components from Canada and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated May 31, 2016.

<sup>5</sup> See *Preliminary Determination* at 81 FR 21317-21318.