

compared to the operation of a facility that makes the components.<sup>21</sup>

(5) Value of Processing Performed in the United States

The petitioners provide proprietary information as well as import data to demonstrate that the blending process represents a very small cost—just three percent—relative to the value of the blends imported from China.<sup>22</sup> The petitioners further argue that during the investigation Commerce determined that blending costs do not reach the level of significance to substantially transform the country of origin of the single components.<sup>23</sup>

*D. Value of Merchandise Produced in the Foreign Country Is a Significant Portion of the Value of the Merchandise*

The petitioners point to proprietary information, including the information provided by CBP, as well as import data to demonstrate that the unfinished R-32/R-125 blends are sourced from China and, given that it is a simple mixing operation, this blending does not require significant investment, research and development, or processing.<sup>24</sup> Thus, the petitioners argue that the merchandise produced in China is a significant portion of the value of the merchandise sold in the United States.<sup>25</sup>

*E. Factors To Consider in Determining Whether Action Is Necessary*

Section 781(a)(3) of the Act identifies additional factors that Commerce shall consider in determining whether to include parts or components in an AD order as part of an anti-circumvention inquiry. Section 781(a)(3)(A) of the Act addresses whether the importation of the circumventing merchandise represents a change in the pattern of trade. Based on the proprietary information on the record, including information provided by CBP, the petitioners argue that certain imports of blends made with R-32 and R-125, similar to subject merchandise, represent a change in the pattern of trade and,<sup>26</sup> as such, it appears that the

only reason not to complete the blending in the country of origin is to evade application of AD duties upon importation. Section 781(a)(3)(C) of the Act addresses whether imports into the United States of the parts or components produced in the foreign country increased after the initiation of the investigation. The petitioners state that published import statistics do not reveal the extent to which R-32/R-125 blends are imported from China and completed and sold in the United States; however, the petitioners rely on proprietary information and information from the ITC's investigation to demonstrate that there is a large capability for numerous facilities to adopt this approach, which could result in a negation of the effect of the *Order*.<sup>27</sup>

**Conclusion**

Based on the information on the record, we determine that there is sufficient information to warrant an initiation of an anti-circumvention inquiry, pursuant to section 781(a) of the Act and 19 CFR 351.225(g). Commerce will determine whether the merchandise subject to the inquiry (as described in the “Merchandise Subject to the Anti-Circumvention Inquiry” section above) is circumventing the *Order* such that it should be included within the scope of the *Order*.

In accordance with 19 CFR 351.225(l)(2), if Commerce issues a preliminary affirmative determination, we will then instruct CBP to suspend liquidation and require a cash deposit of estimated duties, at the applicable rate, for each unliquidated entry of the merchandise at issue, entered or withdrawn from warehouse for consumption on or after the date of initiation of the inquiry.

Following consultation with interested parties, Commerce will establish a schedule for questionnaires and comments on the issues related to the inquiry. Before issuance of any affirmative determination, Commerce intends to notify the ITC of any proposed inclusion of the inquiry merchandise under the *Order* in accordance with section 781(e)(1)(A) of the Act. In accordance with section 781(f) of the Act and 19 CFR 351.225(f)(5), Commerce intends to issue its final determination within 300 days of the date of publication of this initiation.

<sup>27</sup> See Initiation Request at 21 and Exhibit 3 and Exhibit 4 (ITC Conference transcript and Memorandum regarding Commerce's conference call with Customs).

**Notification to Interested Parties**

This notice is published in accordance with section 781(a) of the Act and 19 CFR 351.225(g).

Dated: June 12, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

[FR Doc. 2019-12848 Filed 6-17-19; 8:45 am]

**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

[A-580-874]

**Certain Steel Nails From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review and Partial Rescission of Antidumping Duty Administrative Review; 2017–2018**

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

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that Daejin Steel Co. (Daejin), Je-il Wire Production Co., Ltd. (Je-il), Koram Inc. (Koram), and Korea Wire Co., Ltd. (Kowire), producers/exporters of merchandise subject to this administrative review, made sales of subject merchandise at less than normal value during the period of review (POR) July 1, 2017 through June 30, 2018.

**DATES:** Applicable June 18, 2019.

**FOR FURTHER INFORMATION CONTACT:**

Ariela Garvett (Daejin), Lilit Astvatsatryan (Je-il and Koram), and Maliha Khan (Kowire), 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) 482-3609, (202) 482-6412, or (202) 482-0895, respectively.

**SUPPLEMENTARY INFORMATION:**

**Background**

On July 3, 2017, Commerce published in the **Federal Register** a notice of opportunity to request an administrative review of the antidumping duty (AD) order on certain steel nails (steel nails) from Korea.<sup>1</sup> On July 13 and July 31,

<sup>1</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 83 FR 31121 (July 3, 2018).

<sup>21</sup> *Id.* at 15–16 and Exhibit 1 (ITC Hearing transcript).

<sup>22</sup> *Id.* at 16–17 and Exhibit 5 and Exhibit 6 (a proprietary agreement and Census import statistics).

<sup>23</sup> *Id.* at 17; see also *Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 42314 (June 29, 2016) and accompanying Issues and Decision Memorandum at Comment 4.

<sup>24</sup> *Id.* at 17–19 (citing HFCs CBP Memo and Attachments) and Exhibit 5 and Exhibit 6 (a proprietary agreement and Census import statistics).

<sup>25</sup> *Id.* at 17–19.

<sup>26</sup> *Id.* at 19–21 (citing HFCs CBP Memo and Attachments).

2018, Koram,<sup>2</sup> Daejin,<sup>3</sup> and Kowire<sup>4</sup> each requested an administrative review, and the petitioner<sup>5</sup> requested an administrative review of 154 producers and/or exporters, including Daejin, Koram, Kowire, and Je-il. On September 24, 2018, the petitioner withdrew its administrative review request with respect to 150 of the 154 companies and maintained its administrative review request with respect to: Daejin, Je-il, Koram, and Kowire.<sup>6</sup>

### Partial Rescission of Administrative Review

Commerce received timely requests to conduct an administrative review of certain exporters covering the POR. Because the petitioner timely withdrew its request for review of all of the companies listed in the *Initiation Notice*, with the exception of Daejin, Je-il, Koram, and Kowire, we are rescinding this administrative review with respect to the remaining companies on which we initiated a review pursuant to 19 CFR 351.213(d)(1).<sup>7</sup> For a list of the companies for which we are rescinding this review, *see* Appendix II to this notice. Accordingly, the four companies subject to the instant review are: Daejin, Je-il, Koram, and Kowire.

The Preliminary Decision Memorandum, which is hereby adopted by this notice, 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 available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the

Preliminary Decision Memorandum are identical in content.

### Scope of the Order

The merchandise covered by this order is certain steel nails having a nominal shaft length not exceeding 12 inches.<sup>8</sup> Merchandise covered by the order is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7317.00.55.02, 7317.00.55.03, 7317.00.55.05, 7317.00.55.07, 7317.00.55.08, 7317.00.55.11, 7317.00.55.18, 7317.00.55.19, 7317.00.55.20, 7317.00.55.30, 7317.00.55.40, 7317.00.55.50, 7317.00.55.60, 7317.00.55.70, 7317.00.55.80, 7317.00.55.90, 7317.00.65.30, 7317.00.65.60 and 7317.00.75.00. Certain steel nails subject to this order also may be classified under HTSUS subheadings 7907.00.60.00, 8206.00.00.00 or other HTSUS subheadings. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive. For a full description of the scope of the order, *see* the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act). Export price is calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is included as Appendix I to this notice.

### Preliminary Results of Review

Commerce preliminarily determines that the following weighted-average dumping margins exist for the period July 1, 2017 through June 30, 2018:

| Exporter and/or producer             | Weighted-average dumping margin (percent) |
|--------------------------------------|---|
| Daejin Steel Company .....           | 5.43                                      |
| Je-il Wire Production Co., Ltd ..... | 6.06                                      |
| Koram Inc .....                      | 7.34                                      |
| Korea Wire Co., Ltd .....            | 5.47                                      |

<sup>8</sup> The shaft length of certain steel nails with flat heads or parallel shoulders under the head shall be measured from under the head or shoulder to the tip of the point. The shaft length of all other certain steel nails shall be measured overall.

### Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries. Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this review.

For any individually examined respondents whose weighted-average dumping margin is above *de minimis* (i.e., 0.50 percent), we will calculate importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR

351.212(b)(1).<sup>9</sup> For entries of subject merchandise during the POR produced by each respondent for which it did not know its merchandise was destined for the United States, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate company involved in the transaction.<sup>10</sup> We will instruct CBP to assess antidumping duties on all appropriate entries covered by this review when the importer-specific assessment rate calculated in the final results of this review is above *de minimis*. Where either the respondent's weighted-average dumping margin is zero or *de minimis*, or an importer-specific assessment rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties.

For the 150 companies for which this review is rescinded, antidumping duties will be assessed at rates equal to the cash deposit of estimated antidumping duties in effect at the time of entry, or withdrawal from warehouse, for consumption, in accordance with 19 CFR 351.212(c)(1)(i). Commerce intends to issue appropriate assessment instructions directly to CBP 15 days after publication of this notice. The final results of this review shall be the basis for the assessment of antidumping duties on entries of merchandise covered by the final results of this review and for future deposits of estimated duties, where applicable.

<sup>9</sup> In these preliminary results, Commerce applied the assessment rate calculation methodology adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

<sup>10</sup> *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

<sup>2</sup> See Letter from Koram, "Certain Steel Nails from Korea: Request for Administrative Review," dated July 13, 2018.

<sup>3</sup> See Letter from Daejin, "Administrative Review of the Antidumping Duty Order on Certain Steel Nails from Korea—Request for Review," dated July 31, 2018.

<sup>4</sup> See Letter from Kowire, "Steel Nails from the Republic of Korea—Request for Administrative Review," dated July 31, 2018.

<sup>5</sup> See Letter from the petitioner, "Certain Steel Nails from Korea: Request for Administrative Reviews," dated July 31, 2018. The petitioner, Mid-Continent Steel & Wire, Inc., (the petitioner) a domestic producer of steel nails.

<sup>6</sup> See Letter from the petitioner, "Certain Steel Nails from Korea: Withdrawal of Requests for Administrative Reviews," dated September 24, 2018.

<sup>7</sup> *Id.*

## Cash Deposit Requirement

The following deposit requirements will be effective upon publication of the notice of the final results of administrative review for all shipments of steel nails from Korea entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for the companies under review will be the rate established in the final results of this review (except, if the rate is zero or *de minimis*, no cash deposit will be required); (2) for merchandise exported by manufacturers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which the manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the less-than-fair-value investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of the proceeding for the manufacturer of the merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 11.80 percent *ad valorem*, the all-others rate established in the less-than-fair value investigation.<sup>11</sup>

## Disclosure and Public Comment

Commerce intends to disclose the calculations used in our analysis to interested parties in this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Interested parties are invited to comment on the preliminary results of this review. Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the time limit for filing case briefs.<sup>12</sup> Parties who submit case briefs or rebuttal briefs in this proceeding are requested to submit with each brief: (1) A statement of the issues, (2) a brief summary of the argument, and (3) a table of authorities.<sup>13</sup> Executive summaries should be limited to five pages total,

including footnotes.<sup>14</sup> Case and rebuttal briefs should be filed using ACCESS.<sup>15</sup>

Pursuant to 19 CFR 351.310(c), any interested party may request a hearing within 30 days of the publication of this notice in the **Federal Register**. If a hearing is requested, Commerce will notify interested parties of the hearing schedule. Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS within 30 days after the date of publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs.

We intend to issue the final results of this administrative review, including the results of our analysis of issues raised by the parties in the written comments, within 120 days of publication of these preliminary results in the **Federal Register**, unless otherwise extended.<sup>16</sup>

## Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

## Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: June 11, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary for Enforcement and Compliance.*

## Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Rescission of Review, In Part
- V. Discussion of the Methodology
  - A. Comparisons to Normal Value

<sup>14</sup> *Id.*

<sup>15</sup> See 19 CFR 351.303.

<sup>16</sup> See section 751(a)(3)(A) of the Act.

- B. Product Comparisons
- C. Date of Sale
- D. Level of Trade
- E. Export Price
- F. Normal Value
- VI. Currency Conversions
- VII. Recommendation

## Appendix II

Ahri International  
 Aironware Enterprise (China) Ltd.  
 Ansing Fasteners Co., Ltd.  
 Ansing Rich Tech & Trade Co. Ltd.  
 Astrotech Steels Private Limited  
 Baoding Jiebooshun Trading Corp. Ltd.  
 Beijing Catic Industry Ltd.  
 Beijing Jin Heung Co. Ltd.  
 Beijing Qin Li Jeff Trading Co., Ltd.  
 Bestbond International Limited  
 Bipex Co., Ltd.  
 Bolung International Trading Co., Ltd.  
 Cana (Rizhao) Hardware Co. Ltd.  
 Canaxy Asia Inc.  
 Cangzhou Nandagang Guotai Hardware Products Co., Ltd.  
 Caribbean International Co. Ltd.  
 China Dinghao Co., Ltd.  
 China Staple Enterprise Co. Ltd  
 Chinatrans International Ltd.  
 Chongqing Welluck Trading Co. Ltd.  
 CKX Co. Ltd.  
 Crelux International Co. Ltd.  
 Dezhou Hualude Hardware Products Co., Ltd.  
 Dong E Fuqiang Metal Products Co. Ltd.  
 Dong Yang Diecasting Co., Ltd.  
 Duo-Fast Korea Co., Ltd.  
 ECI Taiwan Co., Ltd.  
 Eco Steel Co., Ltd.  
 Eco-Friendly Floor Ltd.  
 Ejem Brothers Limited  
 England Rich Group (China) Ltd.  
 Expeditors Korea Ltd.  
 Faithful Engineering Products Co. Ltd.  
 Fastgrow International Co.  
 General Merchandise Consolidators Inc.  
 Glovis America  
 Guangdong Meite Mechanical Co., Ltd.  
 Guangdong TC Meite Intelligent Tool Co., Ltd.  
 Hebei Cangzhou New Century Foreign Trade Co., Ltd.  
 Hanmi Staple Co., Ltd.  
 Hanon Systems  
 Hebei Minmetals Co., Ltd.  
 Hebei Tinlin Metal Products Co., Ltd.  
 Hebei Tuohua Metal Products Co., Ltd.  
 Heilongjiang Linke Wooden Products Co., Ltd.  
 Hengtuo Metal Products Co Ltd.  
 Hi-Sharp Industrial Co., Ltd.  
 Hong Kong Hong Xing Da Trading Co. Ltd.  
 Hongyi Hardware Products Co., Ltd.  
 Huanghua Yingjin Hardware Products Co., Ltd.  
 Inmax Industries Sdn. Bhd  
 Inmax Sdn. Bhd.  
 Integral Building Products Inc.  
 Jeil Tacker Co. Ltd.  
 Jiaxing Silk Import & Export Co., Ltd.  
 Jinhai Hardware Co., Ltd.  
 Jinheung Steel Corporation  
 Jinkaiyi International Industry Co.  
 Jinsco International Corp.  
 Konad Co., Ltd.  
 Kuehne Nagel Ltd.  
 Max Co., Ltd.

<sup>11</sup> See *Certain Steel Nails from the Republic of Korea: Final Determination of Sales at Less Than Fair Value*, 80 FR 28955 (May 20, 2015).

<sup>12</sup> See 19 CFR 351.309(d)(1).

<sup>13</sup> See 19 CFR 351.309(c)(2) and (d)(2).

Leling Taishan Artificial Turf Industry  
 Liao Cheng Minghui Hardware Products  
 Linyi Flying Arrow Imp. & Exp. Ltd.  
 Mingguang Ruifeng Hardware Products Co., Ltd.  
 Nailtech Co. Ltd.  
 Nanjing Caiqing Hardware Co., Ltd.  
 Neo Gls  
 Nexen Corporation  
 Nexen L&C Corp.  
 OEC World Wide Korea Co. Ltd.  
 Oman Fasteners LLC  
 Overseas Distribution Services Inc.  
 Overseas International Steel Industry  
 Pantainer (H.K.) Limited  
 Peace Industries, Ltd.  
 Promising Way (Hong Kong) Limited  
 Qingdao Cheshire Trading Co. Ltd.  
 Qingdao D&L Group Ltd.  
 Qingdao Hongyuan Nail Industry Co. Ltd.  
 Qingdao JCD Machinery Co., Ltd.  
 Qingdao Jisco Co., Ltd.  
 Qingdao Master Metal Products Co. Ltd.  
 Qingdao Meijialucky Industry and Commerce Co., Ltd.  
 Qingdao Mst Industry and Commerce Co., Ltd.  
 Qingdao Rainbow Bird Metal Products Co., Ltd. West  
 Qingdao Tiger Hardware Co., Ltd.  
 Qingdao Top Steel Industrial Co., Ltd.  
 Rise Time Industrial Co. Ltd.  
 Sam Un Co. Ltd.  
 SDC International AUST. PTY Ltd.  
 Shandong Dinglong Imp. & Exp. Co. Ltd.  
 Shandong Liao Cheng Minghua Metal PR  
 Shandong Oriental Cherry Hardware Group Co. Ltd.  
 Shandong Oriental Cherry Hardware Import & Export Co., Ltd.  
 Shandong Qingyun Hongyi Hardware Products Co., Ltd.  
 Shanghai Haoray International Trade Co. Ltd.  
 Shanghai Jade Shuttle Hardware Tools Co., Ltd.  
 Shanghai Lucky Angle Handicraft & Gift Co., Ltd.  
 Shanghai Pinnacle International Trading Co., Ltd.  
 Shanghai Zoonlion Industrial Co., Ltd.  
 Shanxi Fasteners & Hardware Products Co., Ltd.  
 Shanxi Hairui Trade Co., Ltd.  
 Shanxi Pioneer Hardware Industry Co., Ltd.  
 Shanxi Tianli Industries Co., Ltd.  
 Sherilee  
 Shijiazhuang Shuangjian Tools Co. Ltd.  
 Shijiazhuang Tops Hardware Manufacturing Co., Ltd.  
 S-Mart (Tianjin) Technology Development Co., Ltd.  
 Smile Industries Ltd.  
 Speedmark International Ltd.  
 Suntec Industries Co., Ltd.  
 Tianjin Coways Metal Products Co.  
 The Stanley Works (Langfang) Fastening System Co., Ltd.  
 T.H.I. Group Ltd.  
 Tianjin Bluekin Industries Limited  
 Tianjin Consol International Co., Ltd.  
 Tianjin Fulida Supply Co. Ltd.  
 Tianjin Huixinshangmao Co. Ltd.  
 Tianjin Hweschun Fasteners Manufacturing Co. Ltd.  
 Tianjin Jinchi Metal Products Co., Ltd.  
 Tianjin Lianda Group Co., Ltd.

Tianjin Liweitian Metal Technology  
 Tianjin Long Sheng Tai  
 Tianjin Zehui Hardware Co. Ltd.  
 Tianjin Zhonglian Metals Ware Co. Ltd.  
 Tianjin Jinzhuang Hardware Factory  
 Tianjin M&C Electronics Co., Ltd.  
 Tianjin Universal Machinery Imp. & Exp.  
 Tianjin Zhonglian Times Technology  
 Toyo Boeki Co. Ltd.  
 Trim International Inc.  
 Unicorn (Tianjin) Fasteners Co., Ltd.  
 W&K Corporation Limited  
 Weifang Wenhe Pneumatic Tools Co., Ltd.  
 Wire Products Manufacturing Co., Ltd.  
 Wulian Zhanpeng Metals Co., Ltd.  
 Xi'an Metals and Minerals Imp. Exp. Co., Ltd.  
 Xinjiayuan International Trade Co.  
 Xuzhou CIP International Group Co., Ltd.  
 Xinjiayuan Trading Co., Limited  
 You-One Fastening Systems  
 Youngwoo (Cangzhou) Fasteners Co., Ltd.  
 Youngwoo Fasteners Co., Ltd.  
 Yumark Enterprises Corp.  
 Zhaoqing Harvest Nails Co. Ltd.

[FR Doc. 2019-12839 Filed 6-17-19; 8:45 am]

**BILLING CODE 3510-DS-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-028]

#### Hydrofluorocarbon Blends From the People's Republic of China: Initiation of Anti-Circumvention Inquiry of Antidumping Duty Order; Unpatented R-421A

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

**SUMMARY:** In response to a covered merchandise referral from U.S. Customs and Border Protection (CBP) and allegations of circumvention from the American HFC Coalition (the petitioners), the Department of Commerce (Commerce) is initiating an anti-circumvention inquiry to determine whether imports of non-patented R-421A (a blend of hydrofluorocarbon (HFC) components R-125 and R-134a) from the People's Republic of China (China) that are further processed into finished HFC blends in the United States are circumventing the antidumping duty (AD) order on HFC blends from China.

**DATES:** Applicable June 18, 2019.

**FOR FURTHER INFORMATION CONTACT:** Andrew Medley or Manuel Rey, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-4987 and (202) 482-5518, respectively.

#### SUPPLEMENTARY INFORMATION:

## Background

On November 30, 2017, Choice Refrigerants (Choice) filed a scope ruling request that Commerce determine if non-patented R-421A HFCs imported from China qualify for the exclusion in the scope of the *Order* on HFC blends from China.<sup>1</sup> On December 4, 2017, Commerce received a covered merchandise referral from CBP regarding CBP Enforce and Protect Act (EAPA) Investigation No. 7212.<sup>2</sup> On December 27, 2017, LM Supply Inc. (LM Supply) submitted comments on Choice's scope request.<sup>3</sup> On March 5, 2018, Commerce published a notice of covered merchandise referral providing parties notice of the referral and inviting participation from interested parties.<sup>4</sup>

On April 4, 2018, we sent a questionnaire to LM Supply regarding the product included in the referral from CBP;<sup>5</sup> on April 27, 2018, we received a response to the questionnaire from LM Supply.<sup>6</sup> On May 11, 2018, the American HFC Coalition and its individual members<sup>7</sup> filed deficiency comments as well as factual information in response to LM Supply's April 27, 2018 submission.<sup>8</sup>

On August 15, 2018, the petitioners filed a request that, pursuant to section

<sup>1</sup> See Letter from Choice, "Application for Scope Ruling on Exclusion of Patented HFC Blends from Antidumping Duty Order A-570-028: Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China," dated November 30, 2017 (Choice Scope Ruling Request); see also *Hydrofluorocarbon Blends from the People's Republic of China: Antidumping Duty Order*, 81 FR 55436 (August 19, 2016) (the *Order*).

<sup>2</sup> See Letter from CBP, "EAPA Case Number: 7212; Scope Referral Request for merchandise under EAPA Investigation 7212, imported by LM Supply, Inc. and concerning the investigation of evasion of the antidumping duty order on hydrofluorocarbon blends from the People's Republic of China (A-570-028)," dated December 4, 2017 (CBP EAPA Referral Letter) and accompanying Attachments.

<sup>3</sup> See LM Supply Letter, "Comments in response to Kenneth Ponder's and Choice Refrigerants' November 30, 2017 Application for a Scope Ruling," dated December 27, 2017 (LM Supply Scope Comments).

<sup>4</sup> See *Hydrofluorocarbon Blends from the People's Republic of China: Notice of Covered Merchandise Referral*, 83 FR 9277 (March 5, 2018).

<sup>5</sup> See Letter to LM Supply re: "Hydrofluorocarbon Blends from the People's Republic of China—Scope Ruling Supplemental Questionnaire," dated April 4, 2018.

<sup>6</sup> See LM Supply Letter, "Hydrofluorocarbon Blends from the People's Republic of China: Supplemental Questionnaire Response," dated April 27, 2018 (LM Supply April 27, 2018 SQR).

<sup>7</sup> The American HFC Coalition includes Amtrol Inc., Arkema Inc., The Chemours Company FC LLC, Honeywell International Inc., Hudson Technologies Inc., Mexichem Fluor Inc., and Worthington Industries Inc. were the petitioners in the underlying investigation (the petitioners).

<sup>8</sup> See Petitioners' Letter, "Hydrofluorocarbon Blends from the People's Republic of China: Submission of Factual Information in Response to Scope Exclusion Request," dated May 11, 2018.