A-570-932
POR 4/1/16 - 3/31/17
Public Document
E&C/V: PW

DATE: November 7, 2018

MEMORANDUM TO: Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance

FROM: James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Certain Steel Threaded Rod from the People's Republic of China: Issues and Decision Memorandum for the Final Results of the Eighth Administrative Review

---

I. Summary

The U.S. Department of Commerce (Commerce) analyzed the comments submitted by Jiaxing Brother Fastener Co., Ltd., RMB Fasteners Ltd. (RMB) and IFI & Morgan Ltd. (IFI) (collectively, RMB/IFI),[1] in the eighth administrative review of the antidumping duty (AD) order[2] of certain steel threaded rod (steel threaded rod) from the People's Republic of China (China). Following the *Preliminary Results*,[3] based on an analysis of the comments received and the record evidence, we continue to find that RMB/IFI had no shipments during the period of review (POR) and we continue to apply total AFA to Fastenal Canada Ltd. (Fastenal Canada). We recommend that you approve the position described in the "Discussion of the Issue" section of this memorandum.

---

[1] Commerce determined that Jiaxing Brother, RMB and IFI companies constituted a single entity in the investigation on steel threaded rod from China. *See Certain Steel Threaded Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 73 FR 58931, 58932 (October 8, 2008) (*Preliminary Determination*), unchanged in *Certain Steel Threaded Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 8907 (February 27, 2009) (*Final Determination*). We have received no information in this review to call into question that finding and therefore continue to treat them as a single entity for purposes of this review.
[2] *See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 17154 (April 14, 2009) (*Order*).
[3] *See Certain Steel Threaded Rod from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review, and Rescission of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 22945 (May 17, 2018) (*Preliminary Results*) and accompanying Preliminary Decision Memorandum (PDM).

II. Scope

The merchandise covered by the *Order* is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold–drawn, cold–rolled, machine straightened, or otherwise cold–finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to the order are non–headed and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Included in the scope of the *Order* are steel threaded rod, bar, or studs, 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:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.012 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090, and 7318.15.2095 of the United States Harmonized Tariff Schedule (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the *Order* are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (ASTM) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, or ASTM A320 Grade L7.

III. Background

The POR is April 1, 2016, through March 31, 2017. On May 17, 2018, Commerce published in the *Federal Register* the *Preliminary Results*.[4] In accordance with 19 CFR 351.309, we invited parties to comment on our *Preliminary Results*.

On June 18, 2018, RMB/IFI submitted its case brief.[5] On June 19, 2018, RMB/IFI re-submitted its case brief because the original brief inadvertently included proprietary information in one of the exhibits.[6] On June 26, 2018, the petitioner submitted its rebuttal brief.[7] On September 12, 2018, Commerce extended the deadline for the final results to November 8, 2018.[8] On September 19, 2018, Commerce rejected RMB/IFI's case brief because it contained new factual information.[9] In addition, on September 19, 2018, Commerce rejected the petitioner's rebuttal brief because it contained new argument which did not rebut any arguments made by RMB/IFI in its case brief.[10] On September 21, 2018, RMB/IFI refiled its case brief.[11] The petitioner did not refile its rebuttal brief. To complete the administrative record, Commerce requested that Jiaxing Brother Fastener Co., Ltd. submit a no shipments certification, if it had no shipments during the POR.[12] On October 31, 2018, Jiaxing Brother Fastener Co., Ltd. submitted a no shipments certification.[13] No party commented on this no shipment certification.

Treatment of Fastenal Canada

In accordance with sections 776(a) and (b) of the Tariff Act of 1930, as amended (the Act), in the *Preliminary Results*, we applied total adverse facts available (AFA) to Fastenal Canada because it declined to respond to our questionnaire, nor did it request an extension of time to respond.[14] Consistent with our practice, because the record reflects that Fastenal Canada is not a Chinese exporter,[15] we did not treat it as a part of the China-wide entity, but rather preliminarily assigned Fastenal Canada a rate as a market economy reseller.[16] In addition, because Fastenal Canada is not a Chinese exporter, we preliminarily found it appropriate to apply AFA only to Fastenal Canada's exports of subject merchandise (*i.e.*, Chinese-origin STR) at a rate of 206.00 percent, which is the highest margin applied in any segment of the proceeding.[17]

---

[4] *See Preliminary Results*.
[5] *See* RMB/IFI's June 18, 2018 submission.
[6] *See* RMB/IFI's June 19, 2018 submission.
[7] The petitioner is Vulcan Threaded Products Inc. *See* the petitioner's June 26, 2018 submission.
[8] *See* Memorandum to James Maeder, Associate Deputy Assistant Secretary, from James C. Doyle, Director, "Certain Steel Threaded Rod from the People's Republic of China: Extension of Deadline for Final Results of 2016-2017 Antidumping Duty Administrative Review," dated September 12, 2018.
[9] *See* Commerce's letter to RMB/IFI dated September 19, 2018.
[10] *See* Commerce's letter to the petitioner dated September 19, 2018.
[11] *See* RMB/IFI's September 21, 2018 submission (RMB/IFI's Case Brief).
[12] *See* Commerce's memo to the File, October 29, 2018.
[13] *See* RMB/IFI's October 31, 2018 submission.
[14] *See* PDM at 4-6.
[15] *See* Commerce's letters dated February 2 and February 12, 2018, which indicate the address of Fastenal Canada.
[16] *Id*.
[17] *Id*.

No party commented on our preliminary treatment of Fastenal Canada. As such, in accordance with our preliminary results, for the final results, we have continued to apply AFA to its exports of Chinese-origin subject merchandise, and have continued to assign it a rate of 206.00 percent.

Companies Considered as Part of the China-Wide Entity

The petitioner did not withdraw its review request for Jiaxing Brother Standard Part Co., Ltd., Brother Holding Group Co. Ltd, and Zhejiang Morgan Brother Technology Co. Ltd., and as such we did not rescind the review with respect to these companies in the *Preliminary Results*.[18] In the *Preliminary Results*, we also found that because these companies did not apply for a separate rate, they are considered part of the China-wide entity during the POR.[19] As noted below, we find Jiaxing Brother Standard Part Co., Ltd. to be a part of RMB/IFI, and for these final results, that it is not part of the China-wide entity.

No party commented on our preliminary treatment of Brother Holding Group Co. Ltd, and Zhejiang Morgan Brother Technology Co. Ltd. As such, for the final results, we have continued to find that Brother Holding Group Co. Ltd, and Zhejiang Morgan Brother Technology Co. Ltd. are a part of the China-wide entity and subject to the China-wide rate of 206.00 percent.

IV. Discussion of the Issue

Comment: Alternative Name for Jiaxing Brother Fastener Co., Ltd.

RMB/IFI's Comments:

- In the investigation, Commerce found the companies comprising RMB/IFI to be a single entity.[20] In prior reviews, Commerce has found Jiaxing Brother Fastener Co., Ltd. and Jiaxing Brother Standard Part Co., Ltd. to be the same company.
- The *Preliminary Results* reflected that the review of RMB and IFI had been rescinded because these companies had no shipments during the POR.[21] However, Commerce stated the review was not rescinded with respect to Jiaxing Brother Standard Part Co., Ltd., and because this company did not file a separate rate application or certification, it had failed to cooperate and was preliminarily assigned the China-wide entity rate of 206.00 percent.[22]
- In determining that Jiaxing Brother Standard Part Co., Ltd. failed to cooperate in this review, Commerce did not recognize that it is the same entity as Jiaxing Brother Fastener Co., Ltd., and that Commerce has a longstanding practice of treating these companies as a single entity.

---

[18] *See* PDM at 9.
[19] *Id*.
[20] *See Certain Steel Threaded Rod from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 73 FR 58931, 58934 (October 8, 2008) citing the accompanying Memorandum to James C. Doyle, Director, Office IX, from Bobby Wong, Office IX, "Antidumping Duty Investigation of Certain Steel Threaded Rod from the People's Republic of China: Affiliations of RMB Fasteners Ltd., IFI & Morgan Ltd., and Jiaxing Brother Fastener Co., Ltd.," dated October 1, 2008, unchanged in *Certain Steel Threaded Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 8907 (February 27, 2009) and accompanying Issues and Decision Memorandum (IDM).
[21] *See* PDM at 7.
[22] *Id*. at 9.

- For the final results, Commerce should find that Jiaxing Brother Standard Part Co., Ltd., is an alternative spelling of Jiaxing Brother Fastener Co., Ltd., and that the company has not failed to cooperate in this segment, but rather that as a collapsed entity, the appropriate course of action is for Commerce to rescind the review with respect to Jiaxing Brother Standard Part Co., Ltd./ Jiaxing Brother Fastener Co., Ltd. as well as RMB and IFI.

Commerce's Position: We agree with RMB/IFI, in part. It is our practice to treat companies comprising a collapsed entity as a single entity.[23] In the investigation, we found that Jiaxing Brother Fastener Co., Ltd., RMB and IFI were a single entity.[24] Moreover, regarding Jiaxing Brother Fastener Co., Ltd.'s doing-business-as name, Jiaxing Brother Standard Part Co., Ltd., we agree with RMB/IFI. In past segments we have found Jiaxing Brother Fastener Co., Ltd. and Jiaxing Brother Standard Part Co., Ltd. to be the same company.[25] There is no information on the record of this review that would lead us to reconsider these prior determinations. Therefore, for this review we continue to find that these companies are the same company, and that Jiaxing Brother Standard Part Co., Ltd./ Jiaxing Brother Fastener Co., Ltd. continues to be a part of a single entity that includes RMB and IFI. Although Commerce inadvertently did not treat Jiaxing Brother Standard Part Co., Ltd./ Jiaxing Brother Fastener Co., Ltd. as a part of RMB/IFI in the *Preliminary Results*, we have corrected this error for the final results.

We disagree with RMB/IFI that the review was preliminarily rescinded due to a finding of no shipments in the *Preliminary Results*. Based on record evidence, we continue to find that RMB/IFI (a single entity that includes Jiaxing Brother Standard Part Co., Ltd./ Jiaxing Brother Fastener Co., Ltd.) had no shipments of subject merchandise to the United States during the POR. As we noted in the *Preliminary Results*, CBP entry documentation, as well as RMB/IFI's responses, indicates that the entries attributed to it during the POR pertain to non-subject merchandise, and based on our practice, we find that it is appropriate not to rescind the review, but rather to complete the review with respect to RMB/IFI and issue appropriate instructions to CBP.[26] Thus, in the *Preliminary Results* we did not rescind the review with respect to RMB and IFI, as RMB/IFI stated. Per our NME reseller policy[27] and given the record evidence that RMB/IFI had no shipments during the POR,[28] for the final results if any subject merchandise entries attributable to RMB/IFI entered during the POR they will be assessed at the China-wide rate.

---

[23] *See*, *e.g.*, *Fine Denier Polyester Staple Fiber from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 83 FR 24740 (May 30, 2018) and accompanying IDM at Comment 3.
[24] *See Preliminary Determination*, unchanged in *Final Determination*.
[25] *See*, *e.g.*, *Certain Steel Threaded Rod From the People's Republic of China: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review; 2014-2015*, 81 FR 29843 (May 13, 2016) and accompanying PDM at 1, 2, unchanged in *Certain Steel Threaded Rod from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015*, 81 FR 83800 (November 22, 2016) and accompanying IDM at 2; *see also* RMB/IFI's October 31, 2018 submission.
[26] *See* PDM at 7; *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-65695 (October 24, 2011).
[27] *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011); *Certain Steel Threaded Rod from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2015-2016*, 82 FR 51611 (November 7, 2017) and accompanying IDM.
[28] *See* RMB/IFI's submissions of July 7 and October 13, 2017; RMB/IFI's submissions of February 9 and February 15, 2018.

V. <u>Conclusion</u>

Based on our analysis of the comment received, we recommend adopting the above position. If accepted, we will publish the final results of review in the *Federal Register*.

☒ ____________ Agree

☐ ____________ Disagree

11/7/2018

X ______________________________

Signed by: CHRISTIAN MARSH

Christian Marsh
Deputy Assistant Secretary
for Enforcement and Compliance