



A-583-865  
Investigation  
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September 19, 2019

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

**FROM:** Scot T. Fullerton  
Director, Office VI  
Antidumping and Countervailing Duty Operations

**SUBJECT:** Decision Memorandum for the Preliminary Determination in the  
Less-Than-Fair-Value Investigation of Carbon and Alloy Steel  
Threaded Rod from Taiwan

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## I. SUMMARY

The Department of Commerce (Commerce) preliminarily determines that carbon and alloy steel threaded rod (CASTR) from Taiwan is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The preliminary estimated weighted-average dumping margin is shown in the “Preliminary Determination” section of the accompanying *Federal Register* notice.

## II. BACKGROUND

On February 21, 2019, we received an antidumping duty (AD) petition covering imports of CASTR from Taiwan,<sup>1</sup> which was filed in proper form on behalf of Vulcan Steel Products Inc. (the petitioner). We initiated this less-than-fair-value investigation on March 13, 2019.<sup>2</sup>

In the *Initiation Notice*, Commerce notified parties of an opportunity to comment on the scope of the investigation, as well as the appropriate physical characteristics of CASTR to be reported in response to Commerce’s AD questionnaire.<sup>3</sup> In response to comments and rebuttals filed by interested parties on the scope of this investigation, we are issued the Preliminary Scope

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<sup>1</sup> See Petitioner’s Letter, “Petitions for the Imposition of Antidumping and Countervailing Duties: Carbon and Alloy Steel Threaded Rod from the People’s Republic of China, India, Taiwan, and Thailand,” dated February 21, 2019 (the Petition).

<sup>2</sup> See *Carbon and Alloy Steel Threaded Rod from India, Thailand, and People’s Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 10034 (March 19, 2019) (*Initiation Notice*).

<sup>3</sup> *Id.*



Decision Memorandum on July 22, 2019.<sup>4</sup> On April 8, 2019, the International Trade Commission (ITC) preliminarily determined that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of CASTR from Taiwan.<sup>5</sup>

On April 22, 2019, in accordance with section 777A(c)(2)(B) of the Act, we selected for individual examination the two producers or exporters accounting for the largest volume of CASTR from Taiwan during the period of investigation (POI), *i.e.*, Quintain Steel Co. Ltd. (Quintain Steel) and Top Forever Screws Co. Ltd. (Top Forever).<sup>6</sup> Because neither company responded to Commerce's questionnaire, on May 29, 2019, we selected for individual examination the companies accounting for the third and fourth largest volume of CASTR from Taiwan during POI, *i.e.*, Fastenal Asia Pacific Ltd. TW Repres (Fastenal) and QST International Corporation (QST).<sup>7</sup> Fastenal did not respond to Commerce's questionnaire. On June 18, 2019, QST submitted a letter in which it claimed that it had no sales of subject merchandise during the POI, and therefore should not have been selected as a mandatory respondent.<sup>8</sup> In response to QST's submission, Commerce issued a letter to the company, on August 12, 2019, requesting that it substantiate its claim that it made no sales during the POI.<sup>9</sup> QST responded to Commerce's questionnaire on August 18, 2019.<sup>10</sup>

On July 12, 2019, we selected for individual examination the fifth largest producer or exporter of CASTR from Taiwan during the POI, *i.e.*, Ta Chen Steel Pipe Ltd. (Ta Chen).<sup>11</sup> Ta Chen had originally requested to participate in this investigation as a voluntary respondent and submitted timely questionnaire responses.<sup>12</sup> On August 26, 2019, Ta Chen informed Commerce that it would no longer participate in this investigation.<sup>13</sup>

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<sup>4</sup> See Memorandum "Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated July 22, 2019 (Preliminary Scope Decision Memorandum).

<sup>5</sup> See *Carbon and Alloy Steel Threaded Rod from China, India, Taiwan, and Thailand, Investigation Nos. 701-TA-618-619 and 731-TA-1441-1444*, (April 12, 2019).

<sup>6</sup> See Memorandum, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: Respondent Selection," dated April 22, 2019.

<sup>7</sup> See Memorandum, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: Respondent Selection," dated May 29, 2019 (Second Respondent Selection Memorandum).

<sup>8</sup> See QST's Letter, "Carbon And Alloy Threaded Rod from Taiwan: on A Response," dated June 18, 2019 (QST Letter).

<sup>9</sup> See Commerce's Letter, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: QST International Corporation's No Sales Claim," dated August 12, 2019.

<sup>10</sup> See Ta Chen's Letter, "Carbon and Alloy Threaded Rod from Taiwan: Response to Commerce's Request for Substantiation Regarding QST International Corporation's No Sales Claims," dated August 18, 2019 (QST Response).

<sup>11</sup> See Memorandum, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: Respondent Selection," dated May 12, 2019 (Third Respondent Selection Memorandum).

<sup>12</sup> See Ta Chen's Letter, "Carbon And Alloy Threaded Rod from Taiwan: Request To Be Voluntary Respondent & Section A Response," dated May 12, 2019 (Ta Chen Voluntary Request and Section A Response); *see also* Letter from Ta Chen "Carbon And Alloy Threaded Rod from Taiwan: Request To Be Voluntary Respondent & Section B-E Response," dated May 30, 2019 (Ta Chen Section B-E Response).

<sup>13</sup> See Ta Chen's Letter, "Carbon And Alloy Threaded Rod from Taiwan," dated August 26, 2019 (Ta Chen Withdrawal).

We are conducting this investigation in accordance with section 733(b) of the Act.

### **III. PERIOD OF INVESTIGATION**

The POI is January 1, 2018 through December 31, 2018.

### **IV. SCOPE COMMENTS**

In accordance with the *Preamble* to Commerce's regulations,<sup>14</sup> we set aside a period of time (*i.e.*, until April 2, 2019) for parties to comment on product coverage (*i.e.*, the scope of this investigation) and instructed all parties to submit comments within 20 calendar days of publication of the *Initiation Notice*.<sup>15</sup> On July 2, 2019, Commerce issued a memorandum which clarified a typographical error regarding a particular steel specification in the scope of the investigations.<sup>16</sup> We received comments concerning the scope of the AD and countervailing duty (CVD) investigations of carbon and alloy steel threaded rod from China, as well as India, Taiwan, and Thailand, which were also placed on the record of this investigation. The Preliminary Scope Decision Memorandum, issued concurrently with the CVD preliminary determinations,<sup>17</sup> includes an explanation of our consideration of the parties' comments and our preliminary modifications to the scope of the investigation. Based on our analysis of the comments and rebuttals we received, we have preliminarily modified the scope of this investigation.<sup>18</sup>

### **V. SCOPE OF THE INVESTIGATION**

For a full description of the scope of the investigation, *see* the accompanying preliminary determination *Federal Register* notice at Appendix I.

### **VI. PRODUCT CHARACTERISTICS**

In the *Initiation Notice*, we set aside a period of time for parties to raise issues regarding product characteristics.<sup>19</sup> The petitioner provided comments which we took into consideration in determining the physical characteristics of the CASTR subject to this investigation.<sup>20</sup>

### **VII. APPLICATION OF FACTS AVAILABLE AND USE OF ADVERSE INFERENCE**

As noted above, Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen were individually selected for examination as the mandatory respondents in the investigation and received Commerce's AD questionnaire. For the reasons stated below, we determine that the use of facts

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<sup>14</sup> *See Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27323 (May 19, 1997) (*Preamble*).

<sup>15</sup> *See Initiation Notice*, 84 FR at 10035.

<sup>16</sup> *See* Commerce's Letter, "Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People's Republic of China: Correction of Typographical Error in the Scope Language," dated July 2, 2019.

<sup>17</sup> *See* Preliminary Scope Decision Memorandum.

<sup>18</sup> *Id.*

<sup>19</sup> *See Initiation Notice*, 84 FR at 10035.

<sup>20</sup> *See* Commerce's Letter, "Product Characteristics the Antidumping Duty Investigations of Carbon and Alloy Steel Threaded Rod from, India, Taiwan, and Thailand, and the People's Republic of China," dated April 26, 2019.

otherwise available with an adverse inference is appropriate for this preliminary determination with respect to each of these companies.

A. Application of Facts Available

Sections 776(a)(1) and 776(a)(2)(A)-(D) of the Act provide that, if necessary information is not available on the record, or an interested party withholds information requested by Commerce; fails to provide such information by the deadlines for submission of the information, or in the form and manner requested, subject to subsections (c)(1) and (e) of section 782 of the Act; significantly impedes a proceeding; or provides such information but the information cannot be verified as provided in section 782(i) of the Act; Commerce shall use, subject to section 782(d) of the Act, facts otherwise available in reaching the applicable determination.

Where Commerce determines that a response to a request for information does not comply with the request, section 782(d) of the Act provides that Commerce will so inform the party submitting the response and will, to the extent practicable, provide that party an opportunity to remedy or explain the deficiency. If the party fails to remedy or satisfactorily explain the deficiency within the applicable time limits, subject to section 782(e) of the Act, Commerce may disregard all or part of the original and subsequent responses, as appropriate.

Quintain Steel, Top Forever, and Fastenal were selected as mandatory respondents in this investigation. As noted above, Commerce sent the AD questionnaire to each of these companies.<sup>21</sup> None of these companies has responded to Commerce's request for information.

As indicated above, Commerce also selected QST as a mandatory respondent in this investigation.<sup>22</sup> In response to Commerce's initial questionnaire, QST submitted a letter stating that it had no U.S. sales of subject merchandise during the POI.<sup>23</sup> However, the company provided no documentation or explanation for why entries attributable to QST appeared in the CBP data.<sup>24</sup> Further, in response to QST's letter, the petitioner provided information indicating that QST may have had shipments of subject merchandise during the POI.<sup>25</sup> Given QST's deficient response and the contradictory information on the record regarding whether QST had POI sales of subject merchandise, on August 12, 2019, Commerce requested that QST substantiate its claim that it had no sales of subject merchandise during the POI by providing its U.S. sales data, merchandise descriptions, product catalogs, financial statements, etc.<sup>26</sup>

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<sup>21</sup> See Memorandum, "Initial Questionnaires Delivery Confirmation" dated May 7, 2019 (confirming delivery of the AD questionnaire to Quintain Steel and Top Forever); *see also* Memorandum, "Initial Questionnaires Delivery Confirmation" dated June 10, 2019 (confirming delivery of the AD questionnaire to Fastenal).

<sup>22</sup> See Second Respondent Selection Memorandum.

<sup>23</sup> See QST Letter.

<sup>24</sup> *Id.*; *see also* Memorandum, "Antidumping Duty Investigation on Carbon and Alloy Steel Threaded Rod from Taiwan: Release of Customs and Border Protection Data," dated March 11, 2019 (CBP Data Release).

<sup>25</sup> See Petitioners Letter, "Carbon and Alloy Steel Threaded Rod from Taiwan: Rebuttal Factual Information" dated June 28, 2019 (Petitioner Rebuttal Factual Submission).

<sup>26</sup> See Commerce's Letter, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: QST International Corporation's No Sales Claim," dated August 12, 2019 (Commerce Letter to QST).

In its August 18, 2019 response, QST submitted information that it claimed demonstrated the company had no sales of subject merchandise during the POI.<sup>27</sup> Commerce finds QST's response to our request for information to support its "no sales" claim to be non-responsive. Specifically, QST has not provided an explanation as to why the entries reported by CBP are not POI sales of subject merchandise as requested by Commerce,<sup>28</sup> nor has it provided any of the supporting information specifically requested in the letter (*i.e.*, sales databases, invoices, merchandise descriptions, financial statements, product catalogs).<sup>29</sup>

The only information provided in QST's response is an Excel file that appears to list the types of merchandise QST sold into the U.S. market during the POI and a total volume and value of U.S. sales.<sup>30</sup> Because QST has provided no company brochures, invoices, or product catalogs, we are unable establish the universe of merchandise the company sold, nor are we able to evaluate the product characteristics to determine whether any of the products sold fell within the scope of this investigation. Further, because QST has not provided any sales databases or financial statements, we are unable to determine whether the quantity and value data provided by the company are accurate.

Further, QST has provided no narrative description to provide support for the information that it did place on the record. Specifically, there is no explanation of how its product list spreadsheet was generated, nor has QST provided an explanation regarding the products identified in the CBP data placed on the record by Commerce<sup>31</sup> or with the "shipment" information provided by the petitioner.<sup>32</sup> Additionally, the quantity and value of sales reported by the company does not correspond with either the CBP data or the petitioner's shipment information. QST has made no effort to explain the discrepancies in these sales figures. Therefore, we preliminarily determine that the Excel file does not inform our consideration of QST's claim that it did not make sales of subject merchandise to the United States during the POI.

As a result of QST's lack of information to support its claim of "no sales," we find that QST has been non-responsive to Commerce's questionnaire to support its "no sales" claim. Therefore, we find that QST's claim of "no sales" is unsupported and QST has failed to adequately respond to the AD questionnaire.

Ta Chen originally requested to be considered a voluntary respondent in this investigation<sup>33</sup> and provided timely responses to the AD questionnaire.<sup>34</sup> As noted above, Commerce subsequently

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<sup>27</sup> See QST Response.

<sup>28</sup> See Commerce Letter to QST at 1 ("Specifically, we are requesting that QST explain, and document, how the entries reported by CBP are not POI sales of subject merchandise.").

<sup>29</sup> *Id.* at 1. ("Supporting information should include (but not be limited to) sales databases, invoices, merchandise descriptions, financial statements, product catalogs, etc.").

<sup>30</sup> See QST Response at 1 ("We hereto provides {sic} information on QST's U.S. sales during POI in Exhibit 1. Exhibit 1 shows none of merchandise under these sales falls within the scope of this investigation") and Exhibit 1.

<sup>31</sup> See Petitioner Rebuttal Factual Submission.

<sup>32</sup> See CBP Data Release.

<sup>33</sup> See Ta Chen Voluntary Request and Section A Response.

<sup>34</sup> *Id.*; see also Ta Chen Section B-E Response.

selected Ta Chen as a mandatory respondent.<sup>35</sup> On August 12, 2019, Commerce issued a supplemental questionnaire for sections A and C of Ta Chen's questionnaire responses with a deadline for Ta Chen's response of August 19, 2019. On August 19, 2019, Ta Chen requested<sup>36</sup> a week extension to respond to Commerce's supplemental questionnaire, which was partially granted, extending the deadline to August 23, 2019.<sup>37</sup> On August 26, 2019, Ta Chen informed Commerce that it would no longer participate in this investigation.<sup>38</sup> As a result, we preliminarily find that Ta Chen has been non-responsive to Commerce's request for information despite its earlier participation in this investigation. In addition, we preliminarily determine that the information Ta Chen submitted is not verifiable in light of Ta Chen's notification that it will no longer participate in this investigation.

As a result, we preliminarily find that necessary information is not available on the record of this investigation, pursuant to section 776(a)(1) of the Act; that Quintain Steel, Top Forever, Fastenal, QST and Ta Chen have been non-responsive and withheld information Commerce requested, pursuant to section 776(a)(2)(A) of that Act; that they failed to provide information by the specified deadlines, pursuant to section 776(a)(2)(B) of the Act; and that they significantly impeded the proceeding, pursuant to section 776(a)(2)(C) of the Act. Moreover, because each respondent did not submit responses, section 782(e) of the Act is not applicable. Accordingly, pursuant to section 776(a)(1) and (a)(2)(A), (B), and (C) of the Act, we are relying upon facts otherwise available to determine the preliminary estimated weighted-average dumping margins for Quintain Steel, Top Forever, Fastenal, QST and Ta Chen.

#### B. Use of Adverse Inference

Section 776(b)(1)(A) of the Act provides that, if Commerce finds that an interested party has failed to cooperate by not acting to the best of its ability to comply with a request for information, Commerce may use an inference adverse to the interests of that party in selecting from among the facts otherwise available.<sup>39</sup> In so doing, Commerce is not required to determine, or make any adjustments to, a dumping margin based on any assumptions about information an interested party would have provided if the interested party had complied with the request for information.<sup>40</sup> In addition, the Statement of Administrative Action accompanying the Uruguay Round Agreements Act (SAA) explains that Commerce may employ an adverse inference "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had

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<sup>35</sup> See Third Respondent Selection Memorandum.

<sup>36</sup> See Ta Chen's Letter, "Carbon and Alloy Threaded Rod from Taiwan: Extension Request for Response to Supplemental Questionnaire" dated August 18, 2019.

<sup>37</sup> See Memorandum, "Less-Than-Fair-Value Investigation of Carbon and Alloy Steel Threaded Rod from Taiwan: Extension Request for Supplemental Questionnaire" dated August 19, 2019.

<sup>38</sup> See Ta Chen Withdrawal at 1 ("Ta Chen Stainless Pipe (TCSP) hereby states that it will not be answering supplemental questionnaires or participating in any verification.").

<sup>39</sup> See 19 CFR 351.308(a); see also *Notice of Final Results of Antidumping Duty Administrative Review: Stainless Steel Bar from India*, 70 FR 54023, 54025-26 (September 13, 2005); and *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794-96 (August 30, 2002).

<sup>40</sup> See section 776(b)(1)(B) of the Act.

cooperated fully.”<sup>41</sup> Furthermore, affirmative evidence of bad faith on the part of a respondent is not required before Commerce may use an adverse inference.<sup>42</sup> It is Commerce’s practice to consider, in employing adverse facts available, the extent to which a party may benefit from its own lack of cooperation.<sup>43</sup>

We preliminarily find that Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen have failed to cooperate by not acting to the best of their abilities to comply with Commerce’s request for information, pursuant to section 776(b) of the Act. As explained above, Quintain Steel, Top Forever, and Fastenal did not respond to Commerce’s AD questionnaire. Additionally, Ta Chen failed to respond to Commerce’s supplemental questionnaire and withdrew from participating further in this investigation, including verification, after initially submitting questionnaire responses. QST failed to substantiate its claim that it had “no sales” of subject merchandise into the United States during the POI and did not otherwise respond to Commerce’s AD questionnaire. The failure of these companies to participate in this investigation and to respond to Commerce’s questionnaires has precluded Commerce from performing the necessary analysis to calculate an estimated weighted-average dumping margin for each company based on its own data. Accordingly, Commerce preliminarily finds that Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen failed to cooperate to the best of their abilities to comply with requests for information by Commerce within the meaning of section 776(b)(1) of the Act. Based on the above, Commerce, therefore, preliminarily determines to use an adverse inference in selecting from among the facts otherwise available to determine each company’s estimated weighted-average dumping margin.<sup>44</sup>

### C. Preliminary Estimated Weighted-Average Dumping Margins Based on AFA

Section 776(b)(2) of the Act states that Commerce, when employing an adverse inference, may rely upon information derived from the Petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record.<sup>45</sup>

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<sup>41</sup> See Statement of Administrative Action (SAA) accompanying the Uruguay Round Agreements Act, H.R. Doc. 103-316, Vol. 1 (1994) at 870; see also *Certain Polyester Staple Fiber from Korea: Final Results of the 2005-2006 Antidumping Duty Administrative Review*, 72 FR 69663, 69664 (December 10, 2007).

<sup>42</sup> See, e.g., *Nippon Steel Corp. v. United States*, 337 F. 3d 1373, 1382-83 (Fed. Cir. 2003); *Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR 42985 (July 12, 2000); and *Preamble*, 62 FR at 27340.

<sup>43</sup> See, e.g., *Steel Threaded Rod from Thailand: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Preliminary Determination of Critical Circumstances*, 78 FR 79670 (December 31, 2013), and accompanying Preliminary Decision Memorandum (PDM) at 4, unchanged in *Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 FR 14476 (March 14, 2014).

<sup>44</sup> See, e.g., *Non-Oriented Electrical Steel from Germany, Japan, and Sweden: Preliminary Determinations of Sales at Less Than Fair Value, and Preliminary Affirmative Determinations of Critical Circumstances, in Part*, 79 FR 29423 (May 22, 2014), and accompanying PDM at 7-11, unchanged in *Non-Oriented Electrical Steel from Germany, Japan, the People’s Republic of China, and Sweden: Final Affirmative Determination of Sales at Less Than Fair Value and Final Affirmative Determinations of Critical Circumstances, in Part*, 79 FR 61609 (October 14, 2014); see also *Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan*, 65 FR at 42985, 42986 (July 12, 2000) (where Commerce applied total adverse facts available (AFA) when the respondent failed to respond to the antidumping questionnaire).

<sup>45</sup> See section 776(b)(2) of the Act; and 19 CFR 351.308(c).

In selecting a rate based on AFA, Commerce selects a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.<sup>46</sup> Consistent with sections 776(b)(2) and 776(d)(2), Commerce's practice is to select, as an AFA rate, the higher of: (1) the highest dumping margin alleged in the Petition; or (2) the highest calculated dumping margin calculated for any respondent in the proceeding.<sup>47</sup>

With respect to this investigation, the only dumping margin available in this proceeding is 32.26 percent, the only dumping margin alleged in the Petition, as calculated for the purposes of initiation.<sup>48</sup> In this case, we have selected the only dumping margin alleged on the record as the AFA rate applicable to Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen in this investigation of CASTR from Taiwan.<sup>49</sup>

#### D. Corroboration of Secondary Information

When using facts otherwise available, section 776(c) of the Act provides that, where Commerce relies on secondary information (such as the Petition) rather than on information obtained in the course of an investigation, it must corroborate, to the extent practicable, information from independent sources that are reasonably at its disposal. Secondary information is defined as information derived from the Petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 of the Act concerning the subject merchandise.<sup>50</sup> The SAA clarifies that "corroborate" means that Commerce will satisfy itself that the secondary information to be used has probative value.<sup>51</sup> To corroborate secondary information, Commerce will, to the extent practicable, examine the reliability and relevance of the information to be used.<sup>52</sup> Further, Commerce is not required to estimate what the dumping margin would have been if the interested party failing to cooperate had cooperated or to demonstrate that the dumping margin reflects an "alleged commercial reality" of the interested party.<sup>53</sup>

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<sup>46</sup> See SAA at 870.

<sup>47</sup> See, e.g., *Certain Uncoated Paper from Indonesia: Final Determination of Sales at Less Than Fair Value*, 81 FR 3101 (January 20, 2016).

<sup>48</sup> See e.g., Commerce's Letter, "Antidumping Duty Investigation Initiation Checklist: Carbon and Alloy Steel Threaded Rod from Taiwan," dated March 13, 2019 (Initiation Checklist).

<sup>49</sup> See *Certain Polyethylene Terephthalate Resin from India: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 13327 (March 14, 2016) and accompanying Issues and Decision Memorandum (IDM) at Comment 14.

<sup>50</sup> See SAA at 870.

<sup>51</sup> *Id.*; see also 19 CFR 351.308(d).

<sup>52</sup> See, e.g., *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews*, 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, from Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part*, 62 FR 11825 (March 13, 1997).

<sup>53</sup> See sections 776(d)(3)(A) and (B) of the Act.



Because the AFA rate preliminarily determined for Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen is derived from the Petition and, consequently, is based upon secondary information, Commerce must corroborate the rate to the extent practicable.

We determine that the dumping margin reflected in the Initiation Checklist is reliable where, to the extent appropriate information was available, we reviewed the adequacy and accuracy of the information in the Petition during our pre-initiation analysis and for purposes of this preliminary determination.<sup>54</sup>

We examined evidence supporting the calculations in the Petition to determine the probative value of the dumping margin alleged in the Petition for use as AFA for purposes of this preliminary determination. During our pre-initiation analysis, we also examined the key elements of the export price (EP) and normal value (NV) calculation, the basis of the alleged dumping margin.<sup>55</sup> During our pre-initiation analysis, we also examined information from various independent sources provided either in the Petition or, on our request, in the supplements to the Petition, that corroborate key elements of the EP and NV calculation used to derive the dumping margin alleged in the Petition.<sup>56</sup>

Based on our examination of the information, as discussed in detail in the Initiation Checklist, we consider the petitioner's EP and NV calculations for Taiwan to be reliable. Because we obtained no other information that calls into question the validity of the sources of information or the validity of the information supporting the EP and NV calculation provided in the Petition, based on our examination of the aforementioned information, we preliminarily consider the EP and NV calculations from the Petition to be reliable. Because we confirmed the accuracy and validity of the information underlying the derivation of the dumping margin alleged in the Petition by examining source documents and affidavits, as well as publicly available information, we preliminarily determine that the dumping margin alleged in the Petition is reliable for the purposes of this investigation.

In making a determination as to the relevance aspect of corroboration, Commerce will consider information reasonably at its disposal to determine whether there are circumstances that would render a rate not relevant. Because there are no participating cooperative respondents in this investigation, we relied upon the dumping margin alleged in the Petition, which is the only reliable information regarding the Taiwan CASTR industry reasonably at Commerce's disposal.

In calculating U.S. price, the petitioner relied on an offer for the sale of CASTR in the United States from a CASTR producer in Taiwan.<sup>57</sup> The petitioner adjusted for foreign inland freight, brokerage and handling (B&H) in Taiwan, and ocean freight. The inland freight and B&H costs

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<sup>54</sup> See Initiation Checklist.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*

<sup>57</sup> See Petitioner's Letter, "Petitions for the Imposition of Antidumping and Countervailing Duties: Carbon and Alloy Steel Threaded Rod from the People's Republic of China, India, Taiwan, and Thailand," dated February 21, 2019 at Volume IV (Taiwan AD Petition) at 1 and Exhibit IV-1.

were calculated using per unit costs from *Doing Business: Taiwan 2019*.<sup>58</sup> The ocean freight costs were based on rates published by Descartes for shipping threaded rod from Kaohsiung, Taiwan to Los Angeles, California.<sup>59</sup>

In calculating NV, the petitioner relied on constructed value because they were unable to obtain a third party price quote.<sup>60</sup> Pursuant to section 773(e) of the Act, CV consists of the cost of manufacture (COM); selling, general and administrative (SG&A) expenses; financial expenses; packing expenses; and profit. The petitioner calculated the COM and packing expenses based on its own input factors of production.<sup>61</sup> The prices for material and packing inputs were based on Taiwanese import data from the Global Trade Atlas.<sup>62</sup> For each input, the petitioner multiplied the applicable product-specific consumption rate by the corresponding surrogate value. Similarly, the petitioner determined the labor usage and energy (*e.g.*, electricity) rates based on its own average usage rates.<sup>63</sup> The average manufacturing sector wage rate for Taiwan was based on data available from Trading Economics.<sup>64</sup> The cost of electricity for Taiwan was based on 2017 data from the International Energy Agency.<sup>65</sup> To calculate the product-specific labor and energy costs, the petitioner applied the applicable rates to the product-specific labor and energy usage rates. Finally, the petitioner relied on audited statements of a Chinese producer of comparable merchandise to derive SG&A expenses, financial expenses and profit.<sup>66</sup>

Accordingly, with respect to Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen, Commerce preliminarily determines that the dumping margin alleged by the petitioner has probative value and has corroborated the AFA rate of 32.26 percent to the extent practicable within the meaning of section 776(c) of the Act by demonstrating that the rate: (1) was determined to be reliable in the pre-initiation stage of this investigation and we have no reliable information indicating otherwise; and (2) is relevant.<sup>67</sup>

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<sup>58</sup> *Id.* at 2 and Exhibit IV-3; see also Petitioner's Letter, "Carbon and Alloy Steel Threaded Rod from Taiwan: Response to Questionnaire on Antidumping Petition," dated February 28, 2019 (Taiwan AD Supplement). at 1 and Exhibit IV-3(a).

<sup>59</sup> See Taiwan AD Petition at 2 and Exhibit IV-4(c).

<sup>60</sup> *Id.* 2-3.

<sup>61</sup> See Taiwan AD Petition at 3; see also Taiwan AD Supplement at 5 and Exhibit IV-6; and Petitioner's Letter, "Petition for the Imposition of Antidumping Duties on Imports of Carbon and Alloy Steel Threaded Rod from Taiwan: Responses to Third Supplemental Questions," dated March 7, 2019 (Third Taiwan AD Supplement) at Exhibit IV-7.

<sup>62</sup> See Taiwan AD Petition at 4 and Exhibit IV-8.

<sup>63</sup> See Taiwan AD Petition at 3; see also Taiwan AD Supplement at Exhibit IV-6; and Taiwan Third AD Supplement at Exhibit IV-7.

<sup>64</sup> See Taiwan AD Petition at 4 and Exhibits IV-9(a) and IV-9(b).

<sup>65</sup> *Id.* at 5 and Exhibit IV-11; see also Taiwan AD Supplement at 8 and Exhibit IV-11(a).

<sup>66</sup> See Taiwan AD Supplement at Exhibit IV-13(d); see also Taiwan Third AD Supplement at Exhibit IV-13.

<sup>67</sup> See section 776(c) of the Act, 19 CFR 351.308(c) and (d); see also *Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances, in Part: Light-Walled Rectangular Pipe and Tube from the People's Republic of China*, 73 FR 35652, 35653 (June 24, 2008), and accompanying IDM at Comment 1; and Initiation Checklist.

## VIII. ALL-OTHERS RATE

Sections 733(d)(1)(A)(ii) and 735(c)(5) of the Act provide that, in the preliminary determination, Commerce shall determine an estimated weighted-average dumping margin for all exporters and producers not individually examined (*i.e.*, the all-others rate). Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and/or producers individually investigated, excluding any rates that are zero, *de minimis*, or determined entirely under section 776 of the Act. Pursuant to section 735(c)(5)(B) of the Act, if the estimated weighted-average dumping margins established for all exporters and/or producers individually examined are zero, *de minimis*, or determined entirely under section 776 of the Act, Commerce may use any reasonable method to establish the estimated weighted-average dumping margin for all other producers or exporters.

As noted above, Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen are the mandatory respondents, and each of their estimated weighted-average dumping margins have been determined entirely under section 776 of the Act. Pursuant to section 735(c)(5)(B) of the Act, Commerce's practice under these circumstances has been to assign, as the "all-others" rate, a simple average of the dumping margins alleged in the petition.<sup>68</sup> Because the Petition contained only one dumping margin pertaining to CASTR from Taiwan, consistent with its practice, Commerce is preliminarily determining to use the dumping margin of 32.26 percent alleged in the Petition as the all-others rate applicable to entities not individually examined in the investigation of CASTR from Taiwan pursuant to sections 733(d)(1)(A)(ii) and 735(c)(5) of the Act.<sup>69</sup>

## IX. VERIFICATION

Because Quintain Steel, Top Forever, Fastenal, QST, and Ta Chen are not cooperating in this investigation, we have determined to not conduct verification.

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<sup>68</sup> See, e.g., *Notice of Preliminary Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 21909, 21912 (April 23, 2008), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, 38987 (July 8, 2008), and accompanying IDM at Comment 2.

<sup>69</sup> See *Certain Oil Country Tubular Goods from Thailand: Preliminary Determination of Sales at Less Than Fair Value, and Postponement of Final Determination*, 79 FR 10487 (February 25, 2014), and accompanying PDM, unchanged in *Certain Oil Country Tubular Goods from Thailand: Final Determination of Sales at Less Than Fair Value*, 79 FR 41978, 41979 (July 18, 2014); see also Initiation Checklist.

**X. RECOMMENDATION**

We recommend applying the above methodology for this preliminary determination.

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\_\_\_\_\_  
Agree

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\_\_\_\_\_  
Disagree

9/19/2019

**X** 

Signed by: JEFFREY KESSLER

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Jeffrey I. Kessler  
Assistant Secretary  
for Enforcement and Compliance