

The Department has determined that LWR from Mexico is being, or is likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final margins of sales at less than fair value are listed below in the section entitled "Final Determination of Investigation."

FOR FURTHER INFORMATION CONTACT: Patrick Edwards or Judy Lao, AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-8029 or (202) 482-7924, respectively.

SUPPLEMENTARY INFORMATION:

Background

The preliminary determination in this investigation was published on January 30, 2008. *See Preliminary Determination*. Since then, we have requested that the respondents in this proceeding, Maquilacero S.A. de C.V. (Maquilacero) and Productos Laminados de Monterrey, S.A. de C.V. (PROLAMSA) (collectively, respondents), provide the downstream sales data, regarding their affiliates' sales to the first unaffiliated customer in the comparison market (*i.e.*, Mexico). *See* Letter from Angelica L. Mendoza, Program Manager, Office 7, to Maquilacero S.A. de C.V., entitled "Request for Downstream Sales Data," dated January 24, 2008; *see also*, letter from Angelica L. Mendoza, Program Manager, Office 7, to Productos Laminados de Monterrey, S.A. de C.V., entitled "Request for Downstream Sales Data," dated January 24, 2008. Maquilacero filed the downstream sales response on behalf of its affiliate on February 6, 2008. PROLAMSA filed the downstream sales response on behalf of its affiliate on February 6, 2008.

We conducted sales and cost verifications of the responses (including the downstream sales responses) submitted by Maquilacero and PROLAMSA. *See* Memorandum to the File from Patrick Edwards and Judy Lao, Case Analysts, through Angelica L. Mendoza, Program Manager, Office 7, entitled "Verification of the Sales Responses of Maquilacero S.A. de C.V. in the Antidumping Duty Investigation of Light-Walled Rectangular Pipe and Tube from Mexico," dated April 11, 2008 (Maquilacero Verification Report); *see also* Memorandum to the File from Patrick Edwards and Dena Crossland, Case Analysts, through Angelica L. Mendoza, Program Manager, Office 7, entitled "Verification of the Sales

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-836]

Notice of Final Determination of Sales at Less Than Fair Value: Light-Walled Rectangular Pipe and Tube from Mexico

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: (June 24, 2008).

SUMMARY: On January 30, 2008, the Department of Commerce (the Department) published its preliminary determination in the investigation of sales at less than fair value in the antidumping duty investigation of light-walled rectangular pipe and tube (LWR) from Mexico. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Light-Walled Rectangular Pipe and Tube from Mexico*, 73 FR 5515 (January 30, 2008) (*Preliminary Determination*).

Responses of Productos Laminados de Monterrey, S.A. de C.V. in the Antidumping Duty Investigation of Light-Walled Rectangular Pipe and Tube from Mexico," dated April 24, 2008 (PROLAMSA Verification Report), and Memorandum to the File from Patrick Edwards, Case Analyst, through Angelica L. Mendoza, Program Manager, entitled "Verification of Sales Responses of Productos Laminados de Monterrey, S.A. de C.V. and Prolamsa, Inc. in the Antidumping Duty Investigation of Light-Walled Rectangular Pipe and Tube from Mexico," dated April 24, 2008 (PROLAMSA CEP Verification Report); see also Memorandum to the File through Neal M. Halper, from Gina K. Lee, entitled "Verification of the Cost Response of Productos Laminados de Monterrey, S.A. de C.V. in the Antidumping Investigation of Light-Walled Rectangular Pipe and Tube from Mexico," dated April 15, 2008 (PROLAMSA Cost Verification Report), and Memorandum to the File through Neal M. Halper, from Robert B. Gregor, entitled "Verification of the Cost Response of Maquilacero, S.A. de C.V. in the Antidumping Investigation of Light-Walled Rectangular Pipe and Tube from Mexico," dated April 15, 2008 (Maquilacero Cost Verification Report). All verification reports are on file and available in the Central Records Unit (CRU), Room 1117, of the main Department of Commerce building.

Based on the Department's findings at verification, as well as the minor corrections presented by Maquilacero and PROLAMSA at the start of their respective verifications, we requested respondents to submit revised sales databases. See Letter from Angelica L. Mendoza, Program Manager, Office 7, to Maquilacero S.A. de C.V., dated April 18, 2008; see also Letter from Angelica L. Mendoza, Program Manager, Office 7, to Productos Laminados de Monterrey, S.A. de C.V., dated April 30, 2008. As requested, Maquilacero submitted its revised sales databases on April 28, 2007, and PROLAMSA submitted its revised databases on May 7, 2008.

We have also determined that an allegation of targeted dumping submitted by petitioners on December 26, 2007, and supplemented on January 25, 2008, was inadequate. See Memorandum from Angelica L. Mendoza, Program Manager, Office 7, to Richard O. Weible, Director, Office 7, regarding "Final Analysis on Targeting Dumping," dated April 30, 2008 (Targeted Dumping Memo). Furthermore, with regard to PROLAMSA, we released an additional memorandum in which we explained

the Department's intention to revise certain aspects of the programs used to calculate PROLAMSA's margin at the *Preliminary Determination*, based on the Department's finding of inadvertent errors in the programming language. See Memorandum to the File from Patrick Edwards, Case Analyst, entitled "Intended Changes to the Comparison Market and U.S. Margin Calculation Programs for Productos Laminados de Monterrey, S.A. de C.V. and Revision to Briefing Schedule," dated May 1, 2008 (CM Program Changes Memo). We invited parties to comment on these proposed changes.

Due to the release of the Targeted Dumping Memo and the CM Program Changes Memo subsequent to the release of the verification reports in this investigation, the Department extended the briefing schedule for parties to file case and rebuttal briefs by two days. As such, we received a case brief from petitioners, PROLAMSA, and Maquilacero on May 7, 2008; the same parties filed rebuttal briefs on May 12, 2008. On May 23, 2008, the Department requested that PROLAMSA submit an electronic version of its revised cost database, reflecting the adjustments made to the database for certain minor corrections presented during its cost verification, and which was also filed in hard-copy on the official record on February 27, 2008. See Memorandum to the File from Patrick Edwards, Senior Case Analyst, through Angelica L. Mendoza, Program Manager, Office 7, titled "Request for Cost Database with Post-Cost Verification Corrections - Productos Laminados de Monterrey S.A. de C.V. (PROLAMSA)," dated May 27, 2008. PROLAMSA filed the electronic version of its revised cost database on May 27, 2008.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this antidumping investigation are addressed in the "Issues and Decision Memorandum for the Final Determination of the Antidumping Duty Investigation of Light-Walled Rectangular Pipe and Tube from Mexico (2006-2007)" (Decision Memorandum) from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated June 13, 2008, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memorandum, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised

in this investigation and the corresponding recommendations in the Decision Memorandum which is on file in the CRU. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/>. The paper copy and electronic version of the Decision Memorandum are identical in content.

Targeted Dumping

We determined that Petitioners' allegations of targeted dumping failed to provide a reasonable basis to find a pattern of export prices for comparable merchandise that differ significantly among purchasers or regions. We determined further that Petitioners had not demonstrated that any such differences could not be taken into account using the average-to-average methodology, pursuant to section 777A(d)(1)(B) of the Act. We concluded that, for the final determination, we should continue to utilize the average-to-average methodology in calculating the final margins for respondents. For this final determination, we continue to utilize the average-to-average methodology in calculating the final margins for Maquilacero and PROLAMSA for the reasons set forth in the Decision Memorandum.

Scope of Investigation

The merchandise that is the subject of this investigation is certain welded carbon quality light walled steel pipe and tube, of rectangular (including square) cross section, having a wall thickness of less than 4 mm.

The term carbon quality steel includes both carbon steel and alloy steel which contains only small amounts of alloying elements. Specifically, the term carbon quality includes products in which none of the elements listed below exceeds the quantity by weight respectively indicated:

1.80 percent of manganese, or 2.25 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 0.10 percent of molybdenum, or 0.10 percent of niobium, or 0.15 percent vanadium, or 0.15 percent of zirconium.

The description of carbon quality is intended to identify carbon quality products within the scope. The welded carbon quality rectangular pipe and tube subject to this investigation is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) subheadings 7306.61.50.00 and 7306.61.70.60. While HTSUS subheadings are provided for

convenience and Customs purposes, our written description of the scope of this investigation is dispositive.

Period of Investigation

The period of investigation is from April 1, 2006, through March 31, 2007.

Verification

As provided in section 782(i) of the Act, we verified the information submitted by the respondents for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondents.

Changes since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we have made certain changes to the margin calculation for both Maquilacero and PROLAMSA. For a discussion of these changes, see memoranda from Patrick Edwards to The File entitled “Light-Walled Rectangular Pipe and Tube from Mexico - Final Determination of Sales at Less Than Fair Value Analysis Memorandum for Maquilacero S.A. de C.V.,” dated June 13, 2008 (Maquilacero Analysis Memo), and “Light-Walled Rectangular Pipe and Tube from Mexico - Final Determination of Sales at Less Than Fair Value Analysis Memorandum for Productos Laminados de Monterrey S.A. de C.V.,” dated June 13, 2008 (PROLAMSA Analysis Memo); see also, the memorandum from Robert B. Gregor to Neal M. Halper entitled “Cost of Production and Constructed Value Calculation Adjustments for the Final Determination: Maquilacero S.A. de C.V.,” dated June 13, 2008 (Maquilacero Cost Memo), and the memorandum from Gina K. Lee to Neal M. Halper entitled “Cost of Production and Constructed Value Calculation Adjustments for the Final Determination: Productos Laminados de Monterrey S.A. de C.V.,” dated June 13, 2008 (PROLAMSA Cost Memo).

Adverse Facts Available

For the final determination, we continue to find that, by failing to provide information we requested, certain producers and/or exporters of LWR from Mexico did not act to the best of their ability in responding to our requests for information.¹ Thus, the

¹ These certain producers/exporters are Industrias Monterrey S.A. de C.V., Nacional de Acero S.A. de C.V., PEASA-Productos Especializados de Acero, Tuberias Aspe, and Tuberias y Derivados S.A. de C.V.

Department continues to find that the use of adverse facts available (AFA) is warranted for these companies under sections 776(a)(2) and (b) of the Act. See *Preliminary Determination*, 72 FR 5518 through 5520. As we explained in the *Preliminary Determination*, the Department assigned to these producers and/or exporters the rate of 11.50 percent, which the Department selected as the AFA rate as it was the highest estimated margin alleged in the petition. Further, as discussed in the *Preliminary Determination*, we corroborated the AFA rate pursuant to section 776(c) of the Act. No party to this investigation provided comments regarding the AFA rate. The Department considers the AFA rate to be a fully-corroborated rate and continues to find that 11.50 percent is the appropriate rate to be applied as the AFA rate for purposes of this final determination.

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 producers individually investigated, excluding any zero and *de minimis* margins and any margins determined entirely under section 776 of the Act. For this final determination, we have calculated a margin for Maquilacero and PROLAMSA that is above *de minimis*. Therefore, for purposes of determining the all-others rate and pursuant to section 735(c)(5)(A) of the Act, because other respondents are receiving margins based on adverse facts available, we are using the weighted-average of the dumping margins which we have calculated for Maquilacero and PROLAMSA, i.e., 4.33 percent, as indicated in the “Final Determination of Investigation” section below.

Final Determination of Investigation

We determine that the following weighted-average dumping margins exist for the period April 1, 2006, through March 31, 2007:

Manufacturer or Exporter	Weighted-Average Margin (Percentage)
Maquilacero S.A. de C.V.	2.92
Productos Laminados de Monterrey S.A. de C.V. (PROLAMSA)	5.73
Arco Metal S.A. de C.V.	4.33
Hylsa S.A. de C.V.	4.33
Industrias Monterrey S.A. de C.V.	11.50

Manufacturer or Exporter	Weighted-Average Margin (Percentage)
Internacional de Aceros, S.A. de C.V.	4.33
Nacional de Acero S.A. de C.V. PEASA-Productos Especializados de Acero	11.50
Perfiles y Herrajes LM, S.A. de C.V.	4.33
Regiomontana de Perfiles y Tubos	4.33
Talleres Acero Rey S.A. de C.V.	4.33
Tuberias Aspe	11.50
Tuberia Laguna, S.A. de C.V.	4.33
Tuberias y Derivados S.A. de C.V.	11.50
All-Others	4.33

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act and 19 CFR 351.211(b)(1), we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of subject merchandise from Mexico entered, or withdrawn from warehouse, for consumption on or after January 30, 2008, the date of the publication of *Preliminary Determination*, for all producers/exporters, except PROLAMSA. Because we found PROLAMSA to have a *de minimis* margin in the *Preliminary Determination*, we will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from Mexico from PROLAMSA and entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this final determination. We will instruct CBP to require a cash deposit or the posting of a bond equal to the weighted-average margin, as indicated in the chart above, as follows: (1) the rate for the respondents will be the rates we have determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 4.33 percent. These suspension-of-liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our final determination. As our final determination is affirmative and in accordance with section 735(b)(2) of the

Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that material injury or threat of material injury does not exist, the 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 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 APO

This notice also serves as a reminder to 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 notification of return/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.

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: June 13, 2008.

David M. Spooner,

Assistant Secretary for Import Administration.

Appendix

General Issues

Comment 1: Whether to Deny Home Market Price Adjustments

Comment 2: Whether to Accept Petitioners' Targeted Dumping Allegation

Comment 3: Whether to Subtract Negative Margins from Positive Margins ("Zeroing")

Maquilacero S.A de C.V.

Comment 4: Whether to Treat Export Rebates as an Adjustment to Sales or Cost of Production

Comment 5: Whether to Use Affiliated Party Downstream Sales in the Department's Analysis

Productos Laminados de Monterrey S.A. de C.V.

Comment 6: Whether to Apply Adverse Facts Available to PROLAMSA's Affiliated Party Downstream Sales

Comment 7: Whether to Make Changes to the Department's Programming for

Currency Conversions used in its

Preliminary Determination

Comment 8: Whether to Adjust

Reported Costs of Manufacturing

Comment 9: Whether to Use Corrected

Variance Allocation Presented at Verification

Comment 10: Whether to Calculate Cost of Manufacturing using Historical Depreciation Costs

[FR Doc. E8-14249 Filed 6-23-08; 8:45 am]

BILLING CODE 3510-DS-S