



May 13, 2011

MEMORANDUM TO: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

THROUGH: James C. Doyle
Director, Office 9
Antidumping and Countervailing Duty Operations

FROM: Jerry Huang
Case Analyst
AD/CVD Enforcement, Office 9

RE: Certain Steel Threaded Rod from the People's Republic of China:
Powerline Hardware, LLC Final Scope Ruling

Summary

On February 24, 2011, the Department of Commerce (“Department”) received a submission from Powerline Hardware, LLC (“Powerline”) requesting a scope determination¹ on whether the spool bolts and shank pins it imports are outside the scope of the antidumping order on certain steel threaded rod from the People’s Republic of China (“PRC”). See Certain Steel Threaded Rod from the People’s Republic of China: Notice of Antidumping Duty Order, 74 FR 17154 (April 14, 2009) (“Order”). In accordance with 19 CFR 351.225(k)(1), we recommend the Department determine that the spool bolts and shank pins imported by Powerline are not within the scope of the Order.

Background

On February 24, 2011, Powerline submitted a request seeking a determination that the spool bolts and shank pins it imports are outside the scope of the Order. Pursuant to the requirements of 19 CFR 351.225, Powerline provided illustrations and descriptions of its spool bolts and shank pins and stated why it believed these merchandise in question were outside the scope of the Order.² On March 8, 2011, the Department received comments from Petitioner, Vulcan Threaded Products (“Petitioner”), that Petitioner agrees the shank pins appear to be outside the scope of the Order based on the information provided, but requested the Department to seek further clarifications on the spool bolts.³ On March 9, 2011, the Department issued a letter to

¹ See Scope Ruling Request of Powerline Hardware, LLC, dated February 24, 2011 (“Powerline Request”).

² See Powerline Request.

³ See Letter from Vulcan Threaded Products, Inc., dated March 8, 2011.



Powerline requesting more detailed descriptions of the products in question and a clarification of the production process used.⁴ On March 21, 2011, Powerline submitted additional clarifying information on the products in question and provided samples of the products.⁵ On March 25, 2011, counsel for Petitioner examined the samples provided by Powerline⁶ and on April 4, 2011, indicated that Petitioner does not oppose a ruling that the spool bolts and shank pins imported by Powerline are outside the scope of the Order.⁷

Scope of the Order

The merchandise covered by this 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 this 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 this 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.

⁴ See Letter from the Department of Commerce to Powerline Hardware LLC, dated March 9, 2011.

⁵ See Powerline Hardware LLC's submission, dated March 21, 2011 ("Powerline's March 21, 2011 Submission").

⁶ See Memo to File from Toni Dach, International Trade Analyst, dated March 29, 2011.

⁷ See Second Letter from Vulcan Threaded Products, Inc., dated April 4, 2011 ("Petitioner's April 4, 2011 Submission").

Steel threaded rod is currently classifiable under subheading 7318.15.5050, 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.

Interested Parties’ Comments

Powerline argues that its spool bolts and shank pins are explicitly excluded from the Order by the scope language, as they do not have a solid, circular cross section. Powerline provided diagrams depicting the shapes of the low voltage shank pins as having a rectangular cross section in part, and product information describing the thread length of most shank pins as less than 25 percent of their total length.⁸ See Powerline’s Request.

On March 8, 2011, Petitioner indicated that it was unclear whether the spool bolts are within or outside the scope of the Order based on Powerline’s request, as the descriptions for spool bolts do not indicate whether the square nuts, lock nuts, and washers depicted in the diagrams are permanently incorporated into the product or merely affixed. However, Petitioner agreed that the shank pins appeared to be outside the scope of the Order, as they are forged products with either cast lead or nylon threads permanently molded to the top of the pins, most of the pins have thread length not greater than 25 percent of their total length, and certain pins have flange-type assemblies forged onto the product. See Petitioner’s March 8, 2011 submission.

Powerline submitted additional information and samples, and stated, with regard to spool bolts, that collar washers are added to the spools with a press tool on a hot forging press, then are straightened in a press, with drill holes added, and square nuts, lock nuts, washer and split pins screwed onto the spools. See Powerline’s March 21, 2011 Submission. After reviewing the additional information and samples provided by Powerline, Petitioner stated that it did not oppose Powerline’s request for a ruling that the spool bolts and shank pins are outside the scope of the Order. See Petitioner’s April 4, 2011 Submission.

Legal Framework

The Department examines scope requests in accordance with the Department’s scope regulations. See 19 CFR 351.225. On matters concerning the scope of an antidumping duty order, the Department first examines the descriptions of the merchandise contained in the petition, the initial investigation, the determinations of the Secretary (including prior scope

⁸ There is one model of shank pin in Powerline’s request that has a thread length ratio of 26 percent. However, this model has a non-circular cross section.

determinations) and the International Trade Commission. See 19 CFR 351.225(k)(1). This determination may take place with or without a formal inquiry. If the Department determines that these descriptions are dispositive of the matter, the Department will issue a final scope ruling as to whether or not the subject merchandise is covered by the order. See 19 CFR 351.225(d).

Where the descriptions of the merchandise are not dispositive, the Department will consider the five additional factors set forth at 19 CFR 351.225(k)(2). These criteria are: i) the physical characteristics of the merchandise; ii) the expectations of the ultimate purchasers; iii) the ultimate use of the product; iv) the channels of trade in which the product is sold; and v) the manner in which the product is advertised and displayed. See 19 CFR 351.225(k)(2). The determination as to which analytical framework is most appropriate in any given scope inquiry is made on a case-by-case basis after consideration of all evidence before the Department.

Analysis


For this inquiry, the Department evaluated Powerline's request in accordance with 19 CFR 351.225(k)(1) and finds that the description of the product contained in the petition, the initial investigation, the determinations by the Secretary (including prior scope determinations) and the ITC are dispositive with respect to Powerline's spool bolts and shank pins. Therefore, the Department finds it unnecessary to consider the additional factors in 19 CFR 351.225(k)(2).

The Department agrees with Powerline that the scope language of the Order is clear in its exclusion of products with non-solid, non-circular cross sections. The scope of the Order requires, *inter alia* "...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 this order are non-headed and threaded along greater than 25 percent of their total length." See Order, 74 FR at 17155. We have determined that Powerline's spool bolts and shank pins are products that lack a solid, circular cross section along its entire length and, with respect to most shank pins, are threaded less than 25 percent of their total length based upon Powerline's descriptions and the Department's examination and analysis of the samples. Such products are specifically not included in the scope of the Order.

Accordingly, as the scope language of the Order is clear in its requirement that subject merchandise consist of products with solid, circular cross sections and thread length greater than 25 percent of their total length, and Powerline's spool bolts and shank pins fail to meet these specific requirements of the scope of the Order, we find pursuant to section 351.225(k)(1) of the Department's regulations that Powerline's spool bolts and shank pins are not within the scope of the Order on certain steel threaded rod from the PRC.

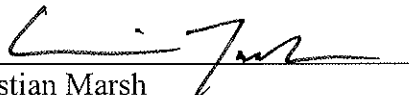
Recommendation

Based upon the foregoing analysis, we recommend finding that the spool bolts and shank pins imported by Powerline are outside the scope of the Order covering certain steel threaded rod from the PRC.

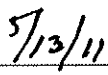


Agree

Disagree



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations



Date