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Sunset Reviews
Public Document
ADCVD/II: SMB

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

FROM: Gary Taverman 
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset
Reviews of the Antidumping Duty Orders on Stainless Steel Wire
Rod from Italy, Japan, the Republic of Korea, Spain, and Taiwan

Summary

We have analyzed the responses of the interested parties in the sunset reviews of the antidumping duty orders covering stainless steel wire rod (SSWR) from Italy, Japan, the Republic of Korea (Korea), Spain, and Taiwan. We recommend that you approve the positions described in the Discussion of the Issues section of this memorandum. Below is the complete list of the issues in these sunset reviews for which we received substantive responses:

1. Likelihood of the Continuation or Recurrence of Dumping
2. Magnitude of the Margin Dumping Likely to Prevail

Background

On May 1, 2015, the Department of Commerce (the Department) published the notice of initiation of the sunset reviews of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).¹ The Department received a notice of intent to participate from Carpenter Technology Corporation (Carpenter), a domestic interested party, within the deadline specified in 19 CFR

¹ See Initiation of Five-Year ("Sunset") Reviews, 80 FR 24900 (May 1, 2015).

351.218(d)(1)(i).² Carpenter claimed interested party status under section 771(9)(C) of the Act, as a manufacturer of a domestic-like product in the United States.

The Department received complete substantive responses to the notice of initiation from the domestic interested party within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).³ We received no substantive responses from respondent interested parties with respect to any of the orders covered by these sunset reviews, nor was a hearing requested. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting expedited (120-day) sunset reviews of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan.

The orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan remain in effect for all manufacturers, producers, and exporters of the subject merchandise except for the following companies, which received zero or de minimis rates in the investigation and as a result were excluded from the order on Italy, Japan, and Taiwan, respectively⁴: Acciaierie Valbruna S.r.l./Acciaierie di Bolzano S.p.A.;⁵ Hitachi Metals, Ltd.; and Yieh Hsing Enterprise Corp., Ltd.

Scope of the Orders

The merchandise covered by these orders is SSWR, which comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime, or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and

² See May 15, 2015, letter regarding “Five-Year (“Sunset”) Review of the Antidumping Duty Orders on Stainless Steel Wire Rod From Italy, Japan, South Korea, Spain, and Taiwan - Notice of Intent to Participate.”

³ See June 1, 2015, letters from the petitioners regarding “Five-Year (3rd Sunset) Review of the Antidumping Duty Orders on Stainless Steel Wire Rod From Italy, Japan, South Korea, Spain, and Taiwan Substantive Response” (Italy Substantive Response, Japan Substantive Response, South Korea Substantive Response, Spain Substantive Response, and Taiwan Substantive Response, respectively).

⁴ See Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Italy, 63 FR 49327 (September 15, 1998); Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Japan, 63 FR 49328 (Sept. 15, 1998); and Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Taiwan, 63 FR 49332 (September 15, 1998).

⁵ In 2006, the Department found that Acciaierie Valbruna S.p.A was the successor in interest to Acciaierie Valbruna S.r.l. See Stainless Steel Wire Rod from Italy: Notice of Final Results of Changed Circumstances Antidumping Duty Review, 71 FR 24643 (April 26, 2006) (SSWR Italy CCR).

K-M35FL, are excluded from the scope of the orders. The chemical makeup for the excluded grades is as follows:

SF20T

Carbon.....	0.05 max
Chromium.....	19.00/21.00
Manganese.....	2.00 max
Molybdenum.....	1.50/2.50
Phosphorous.....	0.05 max
Lead.....	added (0.10/0.30)
Sulfur.....	0.15 max
Tellurium.....	added (0.03 min)
Silicon.....	1.00 max

K-M35FL

Carbon.....	0.015 max
Nickel.....	0.30 max
Silicon.....	0.70/1.00
Chromium.....	12.50/14.00
Manganese.....	0.40 max
Lead.....	0.10/0.30
Phosphorous.....	0.04 max
Aluminum.....	0.20/0.35
Sulfur.....	0.03 max

The products subject to these orders are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

History of the Orders

Italy

On July 29, 1998, the Department published its final determination in the LTFV investigation of SSWR from Italy.⁶ On September 15, 1998, the Department published the antidumping duty order on SSWR from Italy.⁷ For Italy, the Department found the following antidumping duty margins:

Acciaierie Valbruna S.r.l./Acciaierie di Bolzano S.p.A.	1.27 (excluded)
Cogne Acciai Speciali S.r.l.	11.25 ⁸
All-Others Rate	11.25 ⁹

The Department has twice continued the order as a result of prior sunset reviews.¹⁰ Since the most recent continuation of the order, the Department has not conducted any review of the order. The order remains in effect for all producers/exporters from Italy other than Valbruna, which was excluded from the order.

⁶ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Italy, 63 FR 40422 (July 29, 1998).

⁷ See Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Italy, 63 FR 49327 (Sept. 15, 1998).

⁸ As a result of Section 129 proceedings to implement the findings of the World Trade Organization (WTO) Panel in US-Zeroing (EC), the margin changed from 12.73 percent to 11.25 percent. See Implementation of the Findings of the WTO Panel in US--Zeroing (EC): Notice of Determinations Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders, 72 FR 25261, 25263 (May 4, 2007) (Section 129 Notice).

⁹ Id.

¹⁰ See Stainless Steel Wire Rod From Italy: Final Results of Expedited Sunset Review of Antidumping Duty Order, 68 FR 68862 (December 10, 2003); Stainless Steel Wire Rod From Japan: Final Results of Expedited Sunset Review of Antidumping Duty Order, 68 FR 68864 (December 10, 2003); Stainless Steel Wire Rod From South Korea: Final Results of Expedited Sunset Review of Antidumping Duty Order, 68 FR 68863 (December 10, 2003); Stainless Steel Wire Rod From Spain: Final Results of Expedited Sunset Review of Antidumping Duty Order, 68 FR 68866 (December 10, 2003); and Stainless Steel Wire Rod From Taiwan: Final Results of Expedited Sunset Review of Antidumping Duty Order, 68 FR 68865 (December 10, 2003) (First Sunset Finals); Continuation of Antidumping Duty Orders: Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan, 69 FR 50167 (August 13, 2004)(2004 Continuation Notice); Stainless Steel Wire Rod From Italy, Japan, the Republic of Korea, Spain, and Taiwan: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders, 74 FR 56179 (October 30, 2009) (Second Sunset Final); and Stainless Steel Wire Rod from Italy, Japan, the Republic of Korea, Spain, and Taiwan: Continuation of Antidumping Duty Orders, 75 FR 34424 (June 17, 2010) (2010 Continuation Notice).

Japan

On July 29, 1998, the Department published its final determination in the LTFV investigation of SSWR from Japan.¹¹ On September 15, 1998, the Department published the antidumping duty order on SSWR from Japan.¹² For Japan, the Department found the following antidumping duty margins:

Daido Steel Co., Ltd.	34.21
Hitachi Metals, Ltd.	0.00 (excluded)
Nippon Steel Corp.	21.18
Sanyo Special Steel Co., Ltd.	34.21
Sumitomo Electric Industries, Ltd.	34.21
All-Others Rate	25.26

The Department has twice continued the order as a result of prior sunset reviews.¹³ Since the most recent continuation of the order, the Department has not conducted any review of the order. The order remains in effect for all producers/exporters from Japan other than Hitachi Metals, Ltd., which was excluded from the order.

Korea

On July 29, 1998, the Department published its final determination in the LTFV investigation of SSWR from Korea.¹⁴ On September 15, 1998, the Department published the antidumping duty order on SSWR from Korea.¹⁵ On August 8, 2001, the Department published an amended final determination pursuant to a court decision on SSWR from Korea.¹⁶ For Korea, the Department found the following antidumping duty margins:

Dongbang Special Steel Co., Ltd./Changwon Specialty Steel Co., Ltd./Pohang Iron and Steel Co., Ltd.	5.77
Sammi Steel Co., Ltd.	28.44
All-Others Rate	5.77

¹¹ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Japan, 63 FR 40434 (July 29, 1998).

¹² Notice of Antidumping Duty Order: Stainless Steel Wire Rod From Japan, 63 FR 49328 (September 15, 1998).

¹³ See First Sunset Final; 2004 Continuation Notice; Second Sunset Final; and 2010 Continuation Notice.

¹⁴ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Korea, 63 FR 40404 (July 29, 1998).

¹⁵ Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Korea, 63 FR 49331 (September 15, 1998) (LTFV Investigation Korea).

¹⁶ Id., as amended by Stainless Steel Wire Rod From Korea: Amendment of Final Determination of Sales at Less Than Fair Value Pursuant to Court Decision, 66 FR 41550 (August 8, 2001), corrected at 66 FR 46066 (January 8, 2002).

The Department has twice continued the order as a result of prior sunset reviews.¹⁷ Since the most recent continuation of the order, the Department has not conducted any review of the order. The order remains in effect for all producers/exporters from Korea.

Spain

On July 29, 1998, the Department published its final determination in the LTFV investigation of SSWR from Spain.¹⁸ On September 15, 1998, the Department published an amended final determination and antidumping duty order on SSWR from Spain.¹⁹ For Spain, the Department found the following antidumping duty margins:

Roldan S.A.	2.71 ²⁰
All-Others Rate	2.71 ²¹

The Department has twice continued the order as a result of prior sunset reviews.²² Since the most recent continuation of the order, the Department has not conducted any review of the order. The order remains in effect for all producers/exporters from Spain.

Taiwan

On July 29, 1998, the Department published its final determination in the LTFV investigation of SSWR from Taiwan.²³ On September 15, 1998, the Department published an amended final determination and antidumping duty order on SSWR from Taiwan.²⁴ For Taiwan, the Department found the following antidumping duty margins:

Walsin Cartech Specialty Steel Corp.	8.29
Yieh Hsing Enterprise Corp., Ltd.	0.02 (excluded)
All-Others Rate	8.29

¹⁷ See First Sunset Final; 2004 Continuation Notice; Second Sunset Final; and 2010 Continuation Notice.

¹⁸ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Spain, 63 FR 40391 (July 29, 1998).

¹⁹ See Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Spain, 63 FR 49330 (September 15, 1998).

²⁰ As a result of Section 129 proceedings to implement the findings of the WTO Panel in US-Zeroing (EC), the margin changed from 4.76 percent to 2.71 percent. See Section 129 Notice, 72 FR at 25263 (May 4, 2007).

²¹ Id.

²² See First Sunset Final; 2004 Continuation Notice; Second Sunset Final; and 2010 Continuation Notice.

²³ See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Wire Rod From Taiwan, 63 FR 40461 (July 29, 1998).

²⁴ See Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Taiwan, 63 FR 49332 (September 15, 1998).

The Department has twice continued the order as a result of prior sunset reviews.²⁵ Since the most recent continuation of the order, the Department has not conducted any review of the order. The order remains in effect for all producers/exporters from Taiwan other than Yieh Hsing Enterprise Corp., Ltd., which was excluded from the order.

Duty Absorption, Changed Circumstances Reviews, and Scope Inquiries

The Department conducted a scope inquiry with respect to SSWR from Italy, Japan, Spain, and Taiwan, in which the Department found that certain stainless steel bar that is manufactured in the United Arab Emirates from SSWR imported from multiple subject countries is excluded from the scope of the antidumping duty orders.²⁶ In addition, the Department conducted a changed circumstances review with respect to SSWR from Italy, where the Department found that Acciaierie Valbruna S.p.A. was the successor-in-interest to Acciaierie Valbruna S.r.l., a company excluded from the antidumping duty order on SSWR from Italy.²⁷ There have been no duty absorption findings concerning SSWR from Italy, Japan, Korea, Spain, and Taiwan.

Legal Framework

In accordance with section 751(c)(1) of the Act, the Department is conducting these sunset reviews to determine whether revocation of the antidumping duty orders would be likely to lead to a continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making these determinations, the Department shall consider both the weighted-average dumping margins determined in the investigations and subsequent reviews, and the volume of imports of the subject merchandise for the periods before and the periods after the issuance of the antidumping duty orders.

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 (1994) (SAA), the House Report, H. Rep. No. 103-826, pt. 1 (1994) (House Report), and the Senate Report, S. Rep. No. 103-412 (1994) (Senate Report), the Department's determinations of likelihood will be made on an order-wide, rather than company-specific, basis.²⁸ In addition, the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when, among other scenarios: (a) dumping continued at any level above de minimis after the issuance of the order; (b) imports of the subject merchandise ceased after issuance of the order; or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly.²⁹

²⁵ See First Sunset Final; 2004 Continuation Notice; Second Sunset Final; and 2010 Continuation Notice.

²⁶ See Notice of Scope Rulings, 70 FR 41374, 41375 (July 19, 2005).

²⁷ See SSWR Italy CCR, 71 FR 24643.

²⁸ See SAA at 879 and House Report at 56.

²⁹ See SAA at 889-90, House Report at 63-64, and Senate Report at 52. See also Policies Regarding the Conduct of Five-Year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin 98.3, 63 FR 18871, 18872 (April 16, 1998) (Sunset Policy Bulletin).

In addition, as a base period of import volume comparison, it is the Department's practice to use the one-year period immediately preceding the initiation of the investigation, rather than the level of pre-order import volumes, as the initiation of an investigation may dampen import volumes and, thus, skew the comparison.³⁰ Also, when analyzing import volumes for second and subsequent sunset reviews, the Department's practice is to compare import volumes during the year preceding initiation of the underlying investigation to import volumes since the issuance of the last continuation notice.³¹

Further, section 752(c)(3) of the Act states that the Department shall provide to the International Trade Commission (ITC) the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, the Department selects the dumping margins from the final determination in the original investigation, as these rates are the only calculated rates that reflect the behavior of exporters without the discipline of an order in place.³² However, in certain circumstances, a more recently calculated rate may be more appropriate (e.g., "if dumping margins have declined over the life of an order and imports have remained steady or increased, {the Department} may conclude that exporters are likely to continue dumping at the lower rates found in a more recent review.").³³

In February 2012, the Department announced it was modifying its practice in sunset reviews such that it will not rely on weighted-average dumping margins that were calculated using the methodology found to be WTO-inconsistent (i.e., zeroing/the denial of offsets).³⁴ In the Final Modification for Reviews, the Department stated that "only in the most extraordinary circumstances" would it rely on margins other than those calculated and published in prior determinations.³⁵ The Department further stated that apart from the "most extraordinary circumstances," it would "limit its reliance to margins determined or applied during the five-year sunset period that were not determined in a manner found to be WTO-inconsistent" and that it "may also rely on past dumping margins that were not affected by the WTO-inconsistent methodology, such as dumping margins recalculated pursuant to Section 129 proceedings,

³⁰ See, e.g., Stainless Steel Bar from Germany: Final Results of the Sunset Review of the Antidumping Duty Order, 72 FR 56985 (October 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

³¹ See Ferrovanadium from the People's Republic of China and the Republic of South Africa: Final Results of the Expedited Second Sunset Reviews of the Antidumping Duty Orders, 79 FR 14216 (March 13, 2014) and accompanying Issues and Decision Memorandum.

³² See SAA at 890; see also Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

³³ See SAA at 890-91.

³⁴ See Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification, 77 FR 8101, 8103 (February 14, 2012) (Final Modification for Reviews).

³⁵ *Id.*

dumping margins determined based on the use of total adverse facts available, and dumping margins where no offsets were denied because all comparison results were positive.”³⁶

Pursuant to section 752(c)(4)(A) of the Act, a dumping margin of zero or de minimis shall not by itself require the Department to determine that revocation of an AD order would not be likely to lead to a continuation or recurrence of sales at LTFV.³⁷

Discussion of the Issues

1. Likelihood of Continuation or Recurrence of Dumping

Interested Party Comments

The domestic interested party believes that revocation of these antidumping duty orders would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise, as well as material injury to the U.S. industry. See the June 1, 2015, substantive responses of the domestic interested party for Italy, Japan, Korea, Spain, and Taiwan (June 1 responses) at page 2.

With respect to volume of exports, the domestic interested party asserts that the imposition of the orders has had a dramatic impact on the volume of imports of SSWR from producers and exporters. The domestic interested party points to record history of the orders to demonstrate that the discipline of the orders has forced foreign producers of subject merchandise to significantly reduce their volume of sales to the United States. See the June 1 responses at pages 11-16. Nonetheless, the domestic interested party states that the administrative reviews conducted by the Department reveal that the subject producers and exporters have continued to sell subject merchandise in the United States at LTFV. See the June 1 responses at pages 13-17.

Citing to the Department’s Sunset Policy Bulletin, the domestic interested party concludes that the Department should determine that revocation of an antidumping duty order is inappropriate where dumping continued at any level above de minimis after the issuance of the order.³⁸ In sum, the domestic interested party argues that record evidence strongly supports the conclusion that dumping of SSWR by producers, manufacturers, and exporters from Italy, Japan, Korea, Spain, and Taiwan would be likely to continue or recur if the orders were to be revoked.

Department’s Position:

As explained in the Legal Framework section above, when determining whether revocation of the order would be likely to lead to continuation of dumping, sections 752(c)(1)(A) and (B) of

³⁶ Id.

³⁷ See Folding Gift Boxes from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 72 FR 16765 (April 5, 2007), and accompanying Issues and Decision Memorandum at Comment 1.

³⁸ See Sunset Policy Bulletin.

the Act instruct the Department to consider: (1) the weighted-average dumping margins determined in the investigation and subsequent reviews; and (2) the volume of imports of the subject merchandise for the period before and after the issuance of the AD order. According to the SAA, existence of dumping margins after the order “is highly probative of the likelihood of continuation or recurrence of dumping. If companies continue to dump with the discipline of an order in place, it is reasonable to assume that dumping would continue if the discipline were removed. If imports cease after the order is issued, it is reasonable to assume that the exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping.”³⁹ In addition, “declining import volumes accompanied by the continued existence of dumping margins after the issuance of the order may provide a strong indication that, absent an order, dumping would be likely to continue, because the evidence would indicate that the exporter needs to dump to sell at pre-order volumes.”⁴⁰

Alternatively, the legislative history provides that declining (or no) dumping margins accompanied by steady or increasing imports may indicate that foreign companies do not have to dump to maintain market share in the United States and that dumping is less likely to continue or recur if the order were revoked.⁴¹

As noted above, when analyzing import volumes for second and subsequent sunset reviews, the Department’s practice is to compare import volumes during the year preceding initiation of the underlying investigation (*i.e.*, 1997 for these sunset reviews) to import volumes since the issuance of the last continuation notice. The last continuation notice for these sunset reviews was issued in June 2010.⁴² Therefore, for these sunset reviews we examined import volumes in 1998 as compared to import volumes during the sunset review period (*i.e.*, 2010-2014).⁴³ Furthermore, the Department examined the weighted-average dumping margins in effect to determine whether dumping continued at above *de minimis* levels during the sunset review period. In accordance with the Final Modification for Reviews, the Department did not rely on weighted-average dumping margins that were calculated using a WTO-inconsistent methodology for any country except Taiwan as noted below.

Italy: The Department examined the ITC Dataweb statistics for the relevant period which shows that imports of SSWR from Italy fluctuated between 566,517 kilograms and 661,895 kilograms after the completion of the sunset review in 2009.⁴⁴ During this sunset review period, import volumes from Italy declined rapidly and are significantly below pre-order volumes.⁴⁵ The

³⁹ See SAA at 890.

⁴⁰ *Id.* at 889, the House Report at 63, and the Senate Report at 52.

⁴¹ See SAA at 889-90, House Report at 63, and Senate Report at 52.

⁴² See 2010 Continuation Notice.

⁴³ See the July 30, 2015, memorandum to the file from Stephen Bailey entitled, “Placing Data from the ITC Trade Dataweb on the Record of the Expedited Sunset Reviews of Stainless Steel Wire Rod (SSWR) from Italy, Japan, Korea, Spain, and Taiwan” (ITC Dataweb Memo).

⁴⁴ See ITC Dataweb Memo.

⁴⁵ *Id.*

margins determined in the underlying investigation remain in effect for the investigated companies except for Valbruna, which was excluded from the order. Further, we note that the calculation of the margin for the sole remaining individual respondent with an affirmative margin covered by the order is WTO-consistent. That is, the calculation of such margin was not affected by zeroing because it was recalculated pursuant to a Section 129 proceeding.⁴⁶ Moreover, this margin was also assigned as the All-Others rate. Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping is likely to recur if the order is revoked.

Japan: The Department examined the ITC Dataweb statistics for the relevant period which shows that imports of SSWR from Japan fluctuated between 53,104 kilograms and 97,972 kilograms after the completion of the sunset review in 2009.⁴⁷ Subsequent to the imposition of the antidumping duty order, imports from Japan steadily declined and are significantly below pre-order volumes.⁴⁸ The margins determined in the underlying investigation remain in effect for the investigated companies except for Hitachi Metals, Ltd., which was excluded from the order. Further, we note that we recalculated the highest of these margins without the denial of offsets for non-dumped sales, and the revised margin is still above de minimis.⁴⁹ Because this recalculated margin is not affected by zeroing, it is WTO-consistent. Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping is likely to recur if the order is revoked.

Korea: After the completion of the sunset review in 2009, imports from Korea virtually ceased.⁵⁰ The near complete withdrawal by Korean producers/exporters from the U.S. market indicates that they are not able to sell subject merchandise in any significant volume in the U.S. market under the discipline of the order. In addition, we note that the margins established in the LTFV investigation remain in effect for all Korean producers/exporters. Further, we note that the highest of these margins is based on the highest rate in the petition as adverse facts available and, as such, did not involve the denial of offsets. Accordingly, the Department finds that dumping would likely continue or recur if the order is revoked, pursuant to section 752(c)(1) of the Act.

Spain: Subsequent to the imposition of the antidumping duty order, imports from Spain declined rapidly and never resumed.⁵¹ The complete withdrawal by Spanish producers/exporters from the U.S. market indicates that they are not able to sell subject merchandise in any volumes in the U.S. market under the discipline of the order. In addition, we note that the margins established in the LTFV investigation remain in effect for all Spanish producers/exporters. Further, we note

⁴⁶ See Section 129 Notice.

⁴⁷ See ITC Dataweb Memo.

⁴⁸ Id.

⁴⁹ See Memorandum from Stephen Bailey, Senior Analyst, to Melissa Skinner, Director, Office II, "WTO-Consistent Margin Calculation for SSWR from Japan," dated August 29, 2015 (Japan Memo).

⁵⁰ See ITC Dataweb Memo.

⁵¹ Id.

that the calculations of these margins are WTO-consistent. That is, the calculation was not affected by zeroing because the final LTFV margins were recalculated pursuant to a Section 129 proceeding.⁵² Moreover, this margin was also assigned as the All-Others rate. Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping is likely to recur if the order is revoked.

Taiwan: The Department examined the ITC Dataweb statistics for the relevant period which shows that imports of SSWR from Taiwan fluctuated between 7,432,151 kilograms and 12,135,568 kilograms after the completion of the sunset review in 2009.⁵³ Although import volumes increased over the sunset review period, they still were below pre-order levels.⁵⁴ Further, we note that the order remains in effect for all Taiwanese producers/exporters of SSWR with the exception of Yieh Hsing Enterprise Corp., Ltd., which was excluded from the order. Further, we note that we revised the weighted-average dumping margin from the underlying investigation without the denial of offsets for non-dumped sales by relying on information contained in the output from the SAS program, and based on conservative assumptions regarding the value of the offsets from the investigation, and the revised margin is still above de minimis.⁵⁵ Given that dumping margins continued to exist at levels above de minimis since the last sunset review and imports are below pre-order levels, the Department finds that dumping would likely continue or recur if the order were revoked, pursuant to section 752(c)(1) of the Act.

2. Magnitude of the Margins of Dumping Likely to Prevail

Interested Party Comments

The domestic interested party requests that the Department report to the ITC the antidumping duty margins that were determined in the investigation, as amended and in accordance with the Sunset Policy Bulletin, as the magnitude of the margins of dumping likely to prevail if the findings were revoked. These rates are set forth in the “History of the Orders” section, above. With regard to Taiwan, the domestic interested parties argue that, because there is no record evidence that zeroing was used in calculating the LTFV dumping margins, these margins are WTO-consistent.⁵⁶

⁵² See Section 129 Notice.

⁵³ See ITC Dataweb Memo.

⁵⁴ Id.

⁵⁵ Memorandum from Stephen Bailey, Senior Analyst, to Melissa Skinner, Director, Office II, “WTO-Consistent Margin Calculation for SSWR from Taiwan,” dated August 29, 2015 (Taiwan Memo).

⁵⁶ See Taiwan Substantive Response at page 17.

Department's Position:

Pursuant to section 752(c)(3) of the Act, the administering authority shall provide to the ITC the magnitude of the margin of dumping that is likely to prevail if the order were revoked. Normally, the Department will select a weighted-average dumping margin from the investigation to report to the ITC.⁵⁷ The Department's preference is to select a weighted-average dumping margin from the LTFV investigation because it is the only calculated rate that reflects the behavior of the producers and exporters without the discipline of an order or suspension agreement in place.⁵⁸ Under certain circumstances, however, the Department may select a more recent rate to report to the ITC. Finally, as explained above, in accordance with the Final Modification for Reviews, the Department will not rely on weighted average dumping margins that were calculated using the methodology found to be WTO-inconsistent.⁵⁹

As indicated in the "Legal Framework" section above, the Department's current practice is to not rely on weighted-average dumping margins calculated using the zeroing methodology, consistent with the Final Modification for Reviews. Instead, we may rely on other rates that may be available, or we may recalculate weighted-average dumping margins using our current offsetting methodology in extraordinary circumstances.⁶⁰

Italy and Spain: After considering the dumping margins determined in the LTFV investigations, we find that it is appropriate to provide the ITC with the margins determined in the LTFV investigations for the magnitude of the margins likely to prevail because these margins best reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. As noted above, the margin calculations involving Italy and Spain were not affected by zeroing because the final LTFV margins for these countries were recalculated pursuant to Section 129 proceedings.⁶¹ As a result, we will report to the ITC the margins of dumping likely to prevail listed in the "Final Results of Review" section below.

Japan: After considering the dumping margins determined in the LTFV investigation, we find that it is appropriate to provide the ITC with recalculated, WTO-consistent margins from the LTFV investigation for the magnitude of the margin likely to prevail because these margins best reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. As noted above, the LTFV margins were calculated using the zeroing methodology. Therefore, the Department has determined that these rates should be recalculated without using the zeroing methodology. Upon recalculating the rates without zeroing, the Department found

⁵⁷ See SAA at 890; see also, e.g., Persulfates from the People's Republic of China: Notice of Final Results of Expedited Second Sunset Review of Antidumping Duty Order, 73 FR 11868 (March 5, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁵⁸ See Eveready Battery Company v. United States, 77 F. Supp. 2d 1327, 1333 (CIT 1999); see also SAA at 890.

⁵⁹ See Final Modification for Reviews, 77 FR at 8103.

⁶⁰ Id.

⁶¹ See Section 129 Notice.

above de minimis margins up to 33.58 percent.⁶² As a result, we will report to the ITC the margin of dumping likely to prevail listed in the “Final Results of Review” section below.

Korea: After considering the dumping margins determined in the LTFV investigation and the subsequent administrative reviews, we find that it is appropriate to provide the ITC with the margins determined in the LTFV investigation for the magnitude of the margin likely to prevail because these margins best reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. Specifically, the highest margin determined in the LTFV investigation for Korea is based on the margin from the petition and did not involve the denial of offsets. As a result, we will report to the ITC the margin of dumping likely to prevail listed in the “Final Results of Sunset Reviews” section below.

Taiwan: After considering the dumping margins determined in the LTFV investigation and the subsequent administrative review, we find that it is appropriate to provide the ITC with the recalculated, WTO-consistent margin from the LTFV investigation for the magnitude of the margin likely to prevail because this margin best reflects the behavior of manufacturers, producers, and exporters without the discipline of an order in place. As noted above, the single remaining LTFV margin was calculated using the zeroing methodology. The Department has determined that this margin should be recalculated without using the zeroing methodology. The record contains a printout of the SAS program log and output from the amended original investigation used to determine the LTFV margin.⁶³ The information therein confirms that there were sales with negative comparison results and, therefore, we are revising the weighted-average dumping margin from the underlying investigation by relying on information contained in the output from the SAS program, and based on conservative assumptions regarding the value of the offsets from the investigation. Specifically, we have assumed that, for all U.S. sales with negative comparison results, that the normal value is zero. As such, the maximum possible value of offsets is the total value of U.S. sales with negative comparison results. When this estimated value of offsets is applied to the total amount of dumping found in the investigation, the Department determines that the estimated magnitude of dumping using a method found to be WTO-consistent would be at least 2.22 percent for Walsin Cartech Specialty Steel Corp., and for all other Taiwanese producers and exporters of SSWR.⁶⁴

Accordingly, based on our review of the information available, we determined that LTFV margins would have been above de minimis even without zeroing negative margins (i.e., applying a WTO consistent methodology).⁶⁵ As a result, we will report to the ITC the margin of dumping likely to prevail listed in the “Final Results of Sunset Reviews” section below.

⁶² See Japan Memo.

⁶³ See Notice of Amendment of Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order: Stainless Steel Wire Rod From Taiwan, 63 FR 49332 (September 15, 1998).

⁶⁴ See Taiwan Memo.

⁶⁵ Id.

Final Results of Sunset Reviews

We determine that revocation of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, and Taiwan would likely lead to continuation or recurrence of dumping, and that the magnitude of the dumping margins likely to prevail would be weighted-average margins up to the following percentages:

<u>Country</u>	<u>Weighted-Average Margin (percent)</u>
Italy	11.25
Japan	33.58
Korea	28.44
Spain	2.71
Taiwan	2.22

Recommendation

Based on our analysis of the responses received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish these final results of reviews in the Federal Register.

Agree

Disagree



Paul Piquado
Assistant Secretary
for Enforcement and Compliance

27 August 2015
Date