



A-570-952
A-583-844
Sunset Review
Public Document
Office IV: WH/RG

DATE December 1, 2015

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

FROM: James Maeder
Senior Director, Office I
Antidumping and Countervailing Duty Operations

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset
Review of the Antidumping Duty Order on Narrow Woven
Ribbons With Woven Selvedge from the People's Republic of
China and Taiwan

Summary

We have analyzed the responses of the interested parties in the sunset reviews of the antidumping duty (“AD”) order on narrow woven ribbons with woven selvedge (“NWRs”) from the People’s Republic of China (“PRC”) and Taiwan.¹ In accordance with our analysis of the domestic interested parties’ substantive responses, we recommend that you approve the positions described in the Discussion of the Issues section of this memorandum. The following is a complete list of issues in these sunset reviews for which we received a substantive response:

1. Likelihood of continuation or recurrence of dumping
2. Magnitude of the dumping margin likely to prevail

¹ See *Antidumping Duty Order on Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China*, Substantive Response of Domestic Interested Parties – PRC (August 31, 2015) (“Interested Parties’ Response - PRC”); *Antidumping Duty Order on Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China*, Substantive Response of Domestic Interested Parties – Taiwan (August 31, 2015) (“Interested Parties’ Response - Taiwan”).

Background

On August 3, 2015, the Department of Commerce (the “Department”) published the notice of initiation of the sunset reviews of the AD orders on NWRs from the PRC and Taiwan pursuant to section 751(c) of the Tariff Act of 1930, as amended (the “Act”).² In this (first) sunset review of the AD order on NWRs from the PRC and Taiwan, Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, LLC (collectively, “domestic interested parties”), have submitted an adequate and timely notice of intent to participate within the 15-day deadline specified in 19 CFR 351.218(d)(1)(i),³ as well as a substantive response within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).⁴ No respondent interested party submitted a substantive response. Accordingly, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), we conducted an expedited (120-day) sunset review on NWRs from the PRC and Taiwan.

History of the Orders

PRC – Investigation/Administrative Reviews

The Department published its Final Determination of Sales at Less than Fair Value (“LTFV”) on July 19, 2010.⁵ On September 17, 2010, the Department published an AD order, as amended, on imports of NWRs from the PRC,⁶ and as a result the Department calculated the following weighted-average dumping margins:

Yama Ribbons and Bows Co., Ltd ⁷	0.00 percent
Beauty Horn Investment Limited	123.83 percent
Fujian Rongshu Industry Co., Ltd	123.83 percent
Guangzhou Complacent Weaving Co., Ltd	123.83 percent
Ningbo MH Industry Co., Ltd	123.83 percent
Ningbo V.K. Industry & Trading Co., Ltd	123.83 percent
Stribbons (Guangzhou) Ltd	123.83 percent
Sun Rich (Asia) Limited	123.83 percent

² See *Initiation of Five-Year (“Sunset”) Review*, 80 FR 45945 (August 3, 2015) (“Sunset Initiation”).

³ See Letter from domestic interested parties regarding “Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China/Notice Of Intent To Participate In First Sunset Review Of Antidumping Duty Order,” dated August 14, 2015; Letter from domestic interested parties regarding “Narrow Woven Ribbons with Woven Selvedge from Taiwan/Notice Of Intent To Participate In First Sunset Review Of Antidumping Duty Order,” dated August 14, 2015.

⁴ See Interested Parties’ Response – PRC; Interested Parties’ Response – Taiwan.

⁵ See *Notice of Final Determination of Sales at Less Than Fair Value: Narrow Woven Ribbons With Woven Selvedge From the People’s Republic of China*, 75 FR 41808 (July 19, 2010).

⁶ *Notice of Antidumping Duty Orders: Narrow Woven Ribbons With Woven Selvedge From Taiwan and the People’s Republic of China: Antidumping Duty Orders*, 75 FR 53632 (September 1, 2010), as amended in *Narrow Woven Ribbons With Woven Selvedge From Taiwan and the People’s Republic of China: Amended Antidumping Duty Orders*, 75 FR 56982 (September 17, 2010) (“Orders”).

⁷ The Department determined, in the investigation, that subject merchandise produced and exported by Yama Ribbons is excluded from the AD order. See *Orders*. However, merchandise which Yama exports but did not produce, as well as merchandise Yama produces but is exported by another company, remain subject to the PRC order.

Tianjin Sun Ribbon Co., Ltd	123.83 percent
Weifang Dongfang Ribbon Weaving Co., Ltd	123.83 percent
Weifang Yu Yuan Textile Co., Ltd	123.83 percent
Xiamen Yi He Textile Co., Ltd	123.83 percent
Yangzhou Bestpak Gifts & Crafts Co., Ltd	123.83 percent
PRC-wide Entity	247.65 percent

There have been four administrative review cycles relating to the AD order on NWRs from the PRC. The results from the first administrative review were published on February 13, 2013.⁸ In that review, the Department assigned the following dumping margins:

Hubscher Ribbon Corp., Ltd. (d/b/a Hubschercorp)	247.65 percent
Weifang Dongfang Ribbon Weaving Co., Ltd.	123.83 percent
PRC-wide Entity	247.65 percent

A second administrative review was initiated,⁹ but later rescinded, on May 7, 2013.¹⁰ A third review was initiated November 8, 2013.¹¹ In the final results of the review, in light of a failure to participate, the mandatory respondent Yangzhou Bestpak Gifts & Crafts Co., Ltd. was assigned the PRC-wide rate, which was 247.65 percent, because it did not establish its independence from the PRC-wide entity.¹² The final results of the fourth review were published on October 15, 2015.¹³ There, the Department determined that the sole company under review, Yama Ribbons Co., Ltd., did not have any reviewable transactions during the period of review.

Taiwan – Investigation/Administrative Reviews

On September 17, 2010, the Department published an AD order, as amended, on imports of NWRs from Taiwan.¹⁴ As a result of the Department's Final Determination of Sales at LTFV, the Department calculated the following weighted-average dumping margins:

Dear Year Brothers Mfg. Co., Ltd.	0.00 percent
Shienq Huong Enterprise Co., Ltd./ HsienChan Enterprise Co., Ltd./ Novelty Handicrafts Co., Ltd. ¹⁵	0.00 percent

⁸ *Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 10130 (February 13, 2013).

⁹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 77 FR 65858 (October 31, 2012).

¹⁰ *See Narrow Woven Ribbon With Woven Selvedge From the People's Republic of China: Rescission of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 26614 (May 07, 2013).

¹¹ *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 67104 (November 8, 2013) ("Initiation Notice").

¹² *Narrow Woven Ribbon With Woven Selvedge From the People's Republic of China: Final Results of Administrative Review; 2012-2013*, 79 FR 61288 (October 10, 2014).

¹³ *Narrow Woven Ribbon With Woven Selvedge From the People's Republic of China: Final Results of Administrative Review; 2013-2014*, 80 FR 62018 (October 15, 2015).

¹⁴ *See Orders*.

¹⁵ The Department determined that subject merchandise produced and exported by Dear Year Brothers Manufacturing Co., Ltd. and Shienq Huong Enterprise Co., Ltd./Hsien Chan Enterprise Co., Ltd./Novelty

Roung Shu Industry Corporation	4.37 percent
All others	4.37 percent

There have been three completed administrative reviews relating to the AD order on NWRs from Taiwan. The Department published the final results of the administrative review covering the period September 1, 2010 through August 31, 2011 on December 6, 2012.¹⁶ In that review, the Department assigned the following dumping duty rates:

Hubschercorp	137.20 percent
--------------	----------------

The Department published the final results of the administrative review covering the period September 1, 2011 through August 31, 2012, on August 19, 2013.¹⁷ In that review, the Department assigned the following dumping duty rates:

Intercontinental Skyline	137.20 percent
Pacific Imports	137.20 percent

The Department published the final results of the administrative review covering the period September 1, 2012 through August 31, 2013, on August 13, 2015.¹⁸ In that review, the Department assigned the following dumping duty rates:

King Young Enterprise Co., Ltd./Glory Young Enterprise Co., Ltd./Ethel Enterprise Co., Ltd. Taiwan	30.64 percent
Hen Hao Trading Co. Ltd. a.k.a. Taiwan Tulip Ribbons and Braids Co., Ltd.	137.20 percent

A fourth review is currently underway, and the preliminary results were published on October 7, 2015.¹⁹

PRC & Taiwan – Sunset Review

Handicrafts Co., Ltd. is excluded from the order, based upon the *de minimis* weighted-average margins calculated for those companies in the Final Determination. See *Notice of Final Determination of Sales at Less than Fair Value: Narrow Woven Ribbons with Woven Selvedge from Taiwan*, 75 FR 41804, 41807 (July 19, 2010).

¹⁶ See *Narrow Woven Ribbons With Woven Selvedge From Taiwan: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 77 FR 72825 (Dec. 6, 2012). The Department previously issued a partial rescission of this review. See *Narrow Woven Ribbons With Woven Selvedge From Taiwan: Rescission, in Part, of Antidumping Duty Administrative Review*, 77 FR 9624 (February 17, 2012).

¹⁷ See *Narrow Woven Ribbons With Woven Selvedge From Taiwan: Final Results of Antidumping Duty Administrative Review; 2011-2012*, 78 FR 50377 (August 19, 2013). The Department previously issued a partial rescission of this review. See *Narrow Woven Ribbons With Woven Selvedge From Taiwan: Rescission, in Part, of Antidumping Duty Administrative Review*, 78 FR 14963 (March 8, 2013).

¹⁸ See *Narrow Woven Ribbons With Woven Selvedge From Taiwan; Final Results of Antidumping Duty Administrative Review; 2012-2013*, 80 FR 19635 (April 13, 2015). The Department previously issued a partial rescission of this review. See *Narrow Woven Ribbons With Woven Selvedge From Taiwan: Rescission, in Part, of Antidumping Duty Administrative Review; 2012-2013*, 79 FR 15099 (March 18, 2014).

¹⁹ See *Narrow Woven Ribbons with Woven Selvedge from Taiwan; Preliminary Results of Antidumping Duty Administrative Review; 2013-2014*, 80 FR 60627 (October 7, 2015).

On August 3, 2015, the Department initiated the first sunset reviews of the *Orders* pursuant to section 751(c) of the Act.²⁰ On August 14, 2015, the Department received a timely notice of intent to participate in the sunset reviews from the domestic interested parties, pursuant to 19 CFR 351.218(d)(1)(i).²¹ In accordance with 19 CFR 351.218(d)(1)(ii)(A), the domestic interested parties claimed interested party status under section 771(9)(C) of the Act as producers of the domestic-like product. The Department did not receive a substantive response from any respondent interested party in the sunset reviews.

Based on the lack of a response from any respondent party, the Department is conducting expedited (120-day) sunset reviews consistent with section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).²² Our analysis of the domestic interested parties' comments submitted in their substantive responses is set forth in the "Analysis" section, *infra*.

Scope Inquiries, Changed Circumstances Reviews, and Duty Absorption

The history of the *Orders* does not include any circumvention or changed circumstances determinations. There have been several scope determinations relating to the *Orders*. On July 26, 2011, Osborne & Little, Inc., an importer of NWR, requested that the Department determine whether 20 products were within the scope of the *Orders*. The merchandise consisted of "trimmings," *i.e.*, bands of fabric measuring less than 12 centimeters in width, with features, such as glass, shells, beads or hanging adornments. The merchandise was generally used as tie-backs for curtains, and as edging or trim for curtains, draperies, pillows, furniture and lampshades. The Department determined that 18 varieties of the merchandise fell within the scope of the *Orders*, while two varieties fell outside of the scope.²³ Responding to a scope ruling request from Money Hill Co., Ltd. c/o Party Art Enterprise Co. Ltd. and Golden Art Co., Ltd., the Department also issued a scope ruling on November 24, 2010. There, the Department determined that the subject merchandise – cut-edge ribbon, *i.e.*, ribbons formed by cutting broad woven fabric into strips of ribbon – matched the exclusion language in the scope of the *Orders*, and was therefore not within scope.²⁴ Finally, at the request of A-Plus Products Inc., the Department issued a scope ruling on November 19, 2010. In the ruling, the Department

²⁰ See *Sunset Initiation*, 80 FR 45945 (August 3, 2015).

²¹ See Letter from domestic interested parties regarding "Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China/Notice Of Intent To Participate In First Sunset Review Of Antidumping Duty Order," dated August 14, 2015; Letter from domestic interested parties regarding "Narrow Woven Ribbons with Woven Selvedge from Taiwan/Notice Of Intent To Participate In First Sunset Review Of Antidumping Duty Order," dated August 14, 2015.

²² See *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 70 FR 62061 (October 28, 2005) (noting that the Department normally will conduct an expedited sunset review where respondent interested parties do not provide an adequate response).

²³ See Memorandum from Magd Zalok to Susan Kuhbach, "Narrow Woven Ribbons With Woven Selvedge from the People's Republic of China: Scope Ruling on Osborne & Little, Inc.'s Trimmings," dated September 6, 2011; see also Notice of Scope Rulings, 77 Fed. Reg. 32568, 32569 (June 1, 2012).

²⁴ See Memorandum from Team to Susan Kuhbach, "Scope Inquiry Request from Money Hill Co., Ltd. and Golden Art Co., Ltd. Regarding Cut-Edge Ribbon," dated November 29, 2010; see also Notice of Scope Rulings, 76 FR 31301, 31302 (May 31, 2011).

determined that certain narrow woven textile material, namely fabric made from polyester material used for capturing heat-transfer ink and images, was within the scope of the *Orders*.²⁵

Scope of the *Orders*

The merchandise covered by the scope of the orders is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof. Narrow woven ribbons subject to the orders may:

- also include natural or other non-man-made fibers;
- be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns, and/or weave constructions;
- have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating, and/or sizing;
- have embellishments, including but not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;
- have wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
- have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
- have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;
- consist of such ribbons affixed to like ribbon and/or cut-edge woven ribbon, a configuration also known as an “ornamental trimming;”
- be wound on spools; attached to a card; hanked (*i.e.*, coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or
- be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons with woven selvedge subject to the orders include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of the AD orders.

Excluded from the scope of the orders are the following:

- (1) formed bows composed of narrow woven ribbons with woven selvedge;

²⁵ See Memorandum from Maisha Cryor to Susan Kuhbach, “Narrow Woven Ribbons With Woven Selvedge: Scope Ruling on A-Plus Products, Inc.’s Heat Transfer Substrate Fabric,” dated November 19, 2010; see also *Notice of Scope Rulings*, 76FR 31301, 31302 (May 31, 2011).

- (2) “pull-bows” (*i.e.*, an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;
- (3) narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (*i.e.*, filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the (HTSUS, Section XI, Note 13) or rubber thread;
- (4) narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;
- (5) narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding eight centimeters;
- (6) narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag;
- (7) cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sono-bonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;
- (8) narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;
- (9) narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric);
- (10) narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;
- (11) narrow woven ribbon that is (a) affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder, or (b) affixed (including by tying) to non-subject merchandise as a working component that holds or packages such non-subject merchandise or attaches packaging or labeling to such non-subject merchandise, such as a “belly band” around a pair of pajamas, a pair of socks or a blanket;
- (12) narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel; and
- (13) narrow woven ribbon(s) included with non-subject merchandise in kits, such as a holiday ornament craft kit or a scrapbook kit, in which the individual lengths of narrow woven ribbon(s) included in the kit are each no greater than eight inches, the aggregate amount of narrow woven ribbon(s) included in the kit does not exceed 48 linear inches, none of the narrow woven ribbon(s) included in the kit is on a spool, and the narrow woven ribbon(s) is only one of multiple items included in the kit.

The merchandise subject to the orders is classifiable under the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060. Subject merchandise also may

enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes; however, the written description of the merchandise covered by the orders is dispositive.

Discussion of the Issues

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 *Orders* would likely lead to continuation or recurrence of dumping. Sections 752(c)(1)(A) and (B) of the Act provide that, in making this determination, the Department shall consider both the weighted-average dumping margins determined in the investigation and subsequent reviews, and the volume of imports of the subject merchandise for the period before, and the period after, the issuance of the order.

Consistent with guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (*i.e.*, the Statement of Administrative Action, H.R. Rep. No. 103-316, Vol. 1 (1994) (“SAA”);²⁶ House Report, H. Rep. No. 103-826, pt. 1 (1994) (“House Report”);²⁷ and Senate Report, S. Rep. No. 103-412 (1994) (“Senate Report”)), the Department will make its likelihood determination on an order-wide, rather than company-specific, basis.²⁸ The Department normally determines that revocation of an AD 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 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 Alternatively, the Department normally will determine that revocation of an AD order is not likely to lead to continuation or recurrence of dumping where dumping was eliminated after issuance of the order and import volumes remained steady or increased.³⁰

Further, section 752(c)(3) of the Act states that the Department shall provide to the U.S. International Trade Commission (“ITC”) the magnitude of the margin of dumping likely to prevail if the order were revoked. Generally, the Department selects the margin(s) from the final determination in the investigation, as this is the only calculated rate that reflects the behavior of exporters without the discipline of an order in place.³¹ 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

²⁶ Reprinted at 1994 U.S.C.C.A.N. 4040.

²⁷ Reprinted at 1994 U.S.C.C.A.N. 3773.

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.

³⁰ See SAA at 889-90, and House Report at 63.

³¹ 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.

conclude that exporters are likely to continue dumping at the lower rates found in a more recent review”).³² Finally, 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 less than fair value.³³

In the *Final Modification for Reviews*, the Department announced that in five-year (*i.e.*, sunset) reviews, it will not rely on weighted-average dumping margins that were calculated using the methodology determined by the Appellate Body to be World Trade Organization (“WTO”)-inconsistent, *i.e.*, zeroing/the denial of offsets.³⁴ The Department also noted that “*only in the most extraordinary circumstances* will the Department 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, 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

Analysis

Consistent with this framework, we address the following two issues: (1) the likelihood of continuation or recurrence of dumping; and (2) the magnitude of the dumping margin likely to prevail. We address the comments submitted by the domestic interested parties with respect to the antidumping orders covering exports from the PRC and Taiwan, in turn.

1. Likelihood of Continuation or Recurrence of Dumping

Domestic Interested Parties’ Comments

PRC

- Revocation of the AD orders would likely lead to a recurrence of dumping from the PRC, as well as to injury to the domestic NWRs industry.³⁷
- All subject NWRs from Chinese producers/exporters are still subject to AD rates that are well above *de minimis*, and that fact alone satisfies the Department’s guidelines and warrants non-revocation of the Order.

³² See SAA at 890-91.

³³ 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) (“*Folding Gift Boxes*”) and accompanying Issues and Decision Memorandum at Comment 1.

³⁴ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Duty Proceedings; Final Modification*, 77 FR 8101, 8109 (February 14, 2012) (“*Final Modification for Reviews*”).

³⁵ *Id.* (emphasis added); see also 19 CFR 351.218(e)(2).

³⁶ See *Final Modification for Reviews*, 77 FR at 8109.

³⁷ See Interested Parties’ Response – PRC at 6, 11-12.

- Throughout the investigation and administrative reviews, the separate rate respondents' assigned rates remained the same at 123.83 percent. During that time frame, the PRC-wide rate has remained at 247.65 percent.³⁸
- Imports of the subject merchandise have declined since the imposition of the order.³⁹

Taiwan

- NWRs from Taiwan are still subject to an AD rate that is well above the *de minimis* level.⁴⁰
- The rates for several respondents have been 137.20 percent and the “all-others” rate has not changed from the order (*i.e.*, 4.37 percent), and thus the Department’s requirement for rates above *de minimis* has been met.⁴¹
- Imports of the subject merchandise have declined since the imposition of the order.⁴²

Department Position

As explained in the “Legal Framework” section above, the Department’s determination concerning whether revocation of an AD order would be likely to lead to continuation or recurrence of dumping is based, in part, upon guidance provided by the legislative history accompanying the Uruguay Round Agreements Act (*i.e.*, the SAA; House Report; and Senate Report). Consistent with the SAA and House Report, the Department will make its likelihood determination on an order-wide basis.⁴³ Further, when determining whether revocation of the order would be likely to lead to continuation of dumping, sections 752(c)(1)(A) and (B) of 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.”⁴⁴ 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.”⁴⁵

For the reasons discussed below, we find that revocation of the *Orders* would be likely to result in the continuation or recurrence of dumping in the United States.

³⁸ *Id.* at 7, 11.

³⁹ *Id.* at 8, 12.

⁴⁰ See Interested Parties’ Response – Taiwan at 6-13.

⁴¹ *Id.*

⁴² *Id.*

⁴³ See SAA at 879 and House Report at 56.

⁴⁴ See SAA at 890.

⁴⁵ *Id.* at 889.

PRC

Pursuant to section 752(c)(1)(A) of the Act, the Department first considered the weighted-average dumping margins determined in the investigation and subsequent reviews. In the Order, the PRC-wide rate was determined to be 247.65 percent. The separate rate companies received a rate of 123.83 percent, which was the average of the PRC-wide rate and the rate determined for the mandatory respondent. These dumping margins remained in place for most companies over the course of the subsequent administrative reviews.⁴⁶ As explained in the *Final Modification for Reviews*, “{i}f the dumping margins determined in a manner not found to be WTO-inconsistent in these disputes indicate that dumping continued with the discipline of the order in place, those dumping margins alone can form the basis for a determination that dumping will continue or recur if the order were to be revoked.”⁴⁷ Accordingly, the persistent margins here support our conclusion that dumping would be likely to continue absent an order.

As noted above, pursuant to the SAA, the Department also assesses whether imports of the subject merchandise ceased after issuance of the order to determine whether revocation of the order would be likely to lead to continuation or recurrence of dumping. The domestic interested parties assert that, “{r}evocation of the antidumping duty order is also improper because imports of subject NWRs from China have declined considerably since the order was imposed.”⁴⁸ The domestic interested parties’ submission, however, contains only this cursory analysis, and provides no data to support this contention.⁴⁹

For our comparison of import volumes, we used 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.⁵⁰ Accordingly, we compared annual import volumes during the period of August 2008 through July 2009 with the import volume for each annual period following issuance of the antidumping order (*i.e.*, October through September of the following year for the years subsequent to the issuance of the order).⁵¹ Through this comparison, we observed a decline in the volume of imports of subject merchandise from 848,479 kg to 704,793 kg in the annual period immediately following the issuance of the order.⁵² In the second year following the order, volumes declined further, from 794,793 to 592,600 kg. Over the course of the next two years, import volumes rose, however,

⁴⁶ In the first administrative review, two companies, Stribbons (Nanyang) Ltd and Stribbons (Guangzhou) Ltd, lost their separate rate status, and received the PRC-wide rate. *Narrow Woven Ribbons With Woven Selvedge From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011*, 78 FR 10130 (February 13, 2013). Another company, Yangzhou Bestpak Gifts & Crafts Co., Ltd., saw its margin increase as a result of the Department’s application of adverse facts available in the third administrative review. *See Narrow Woven Ribbon With Woven Selvedge From the People’s Republic of China: Final Results of Administrative Review; 2012-2013*, 79 FR 61288 (October 10, 2014). These rates were not calculated in a manner incompatible with the *Final Modification for Reviews*.

⁴⁷ *See Final Modification for Reviews*, 77 FR at 8103.

⁴⁸ *See Interested Parties’ Response – PRC*, at 12.

⁴⁹ *Id.*

⁵⁰ *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.

⁵¹ *See Attachment 1.*

⁵² For its analysis, the Department relied on import data covering the following HTSUS statistical categories: 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060.

reaching pre-order levels (levels rose to 772,506 kg in the October 12 to September 13 period, and to 884,034 kg in the October 13 to September 14 period). Regardless of the import volumes, however, dumping margins have persisted at greater than *de minimis* levels since the investigation.⁵³

Based on the foregoing, pursuant to section 752(c)(1) of the Act, and consistent with the guidance in the SAA,⁵⁴ we find that dumping would be likely to continue or recur if the order were revoked.

Taiwan

Pursuant to section 752(c)(1)(A) of the Act, the Department first considered the weighted-average dumping margins determined in the investigation and subsequent reviews. As noted above, in the LTFV investigation, the Department calculated a weighted-average dumping margin of 4.37 percent for Rong Shu Industry Corporation, the only individually investigated respondent to receive a non-*de minimis* rate in the investigation.⁵⁵ This rate also forms the basis of the rate for all other exporters and producers (*i.e.*, the “All-Others” rate), which was determined to be 4.37 percent. These rates were determined without the denial of offsets for non-dumped sales. Additionally, as outlined above, margins that are greater than *de minimis* have persisted over the course of the subsequent administrative reviews. These margins were not calculated in a manner incompatible with the *Final Modification for Reviews*.

As noted above, pursuant to the SAA, the Department also assesses whether imports of the subject merchandise ceased after issuance of the order to determine whether revocation of an AD order would be likely to lead to continuation or recurrence of dumping. Domestic interested parties assert, “Shipments of the subject NWR from Taiwan have declined since the order was imposed. Revocation of the order would likely lead to increased imports of the subject NWRs from Taiwan at unfairly low prices and cause material injury to the domestic NWR industry.”⁵⁶ The domestic interested parties’ submission contains only this cursory analysis, and provides no data to support this contention.⁵⁷

The Department’s own examination of import volume data is not consistent with the domestic interested parties’ statement in this regard. As stated above, as a base period of import volume comparison, we use the one-year period immediately preceding the initiation of the investigation,

⁵³ Consistent with the Department’s past practice and the guidance set forth in the SAA, provided that dumping has continued above a *de minimis* level, revocation is inappropriate. See SAA, at 890, *see also, e.g., Certain Potassium Phosphate Salts from the People’s Republic of China: Final Results of Expedited First Sunset Review of the Antidumping Duty Order*, 80 FR 60122 (October 05, 2015) and accompanying Issues and Decision Memorandum at Issue 1; *Certain Kitchen Appliance Shelving and Racks from the People’s Republic of China: Final Result of Expedited First Sunset Review of the Antidumping Duty Order*, 79 FR 67423 (November 13, 2014), and accompanying Issues and Decision Memorandum at Issue 1.

⁵⁴ See SAA, at 890.

⁵⁵ See *Notice of Final Determination of Sales at Less Than Fair Value: Narrow Woven Ribbons with Woven Selvage from Taiwan* 75 FR 41804 (July 19, 2010).

⁵⁶ See Interested Parties’ Response – Taiwan, at 8.

⁵⁷ *Id.*

rather than the level of pre-order import volumes.⁵⁸ Accordingly, we compared annual import volume during the period August 2008 through July 2009 with the import volume for the annual period following issuance of the antidumping order.⁵⁹ We do not see a decline in the level of imports of subject merchandise, but rather an increase from 1,986,876 kg to 2,551,130 kg immediately following issuance of the order. Over the course of the next several years, import volume similarly remained above pre-order levels.⁶⁰

In sum, though import volumes of NWRs from Taiwan have fluctuated above pre-order levels during this sunset review period, 2009 through 2014, companies have continued to dump with the discipline of an order in place. As noted above, the Department normally determines that revocation of an AD order is likely to lead to continuation or recurrence of dumping when, as here, dumping continued at any level above *de minimis* after issuance of the order.⁶¹ The Department finds that the existence of dumping margins even with an order in place is highly probative of the likelihood of continuation or recurrence of dumping, if the order were revoked. Accordingly, pursuant to section 752(c)(1) of the Act, the Department determines that dumping would likely continue or recur if the order were revoked.

2. Magnitude of the Dumping Margin Likely to Prevail

Domestic Interested Parties' Comments

PRC

- The Department should provide to the ITC the PRC-Wide Rate dumping margin that the Department found in the original investigation (as amended) (*i.e.*, 247.65 percent), as this is the last level at which Chinese producers/exporters shipped the subject NWRs without an order in place and is accordingly the margin that is likely to prevail without the discipline of an order in place.⁶²

Taiwan

- The “All Others” rate found during the original investigation was 4.37 percent *ad valorem*. As discussed above, however, in subsequent reviews several respondents have received a 137.20 percent *ad valorem* rate. This rate represents the last level at which most known Taiwanese producers/exporters shipped the subject NWRs. Therefore, the rate of 137.20 percent *ad valorem* should be reported as the likely margin which would result from revocation of this order.

Department Position

Section 752(c)(3) of the Act provides that the administering authority shall provide to the ITC “the magnitude of the margin of dumping that is likely to prevail if the order is revoked or the

⁵⁸ 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.

⁵⁹ See Attachment 1.

⁶⁰ *Id.* For the analysis, the Department relied on import data covering the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060.

⁶¹ See SAA at 889-90, House Report at 63-64, and Senate Report at 52.

⁶² See Interested Parties' Response – PRC at 12.

suspended investigation is terminated.” Normally, the Department will provide to the ITC weighted-average dumping margins from the investigation.⁶³ The Department’s preference for selecting a rate from the investigation is based on the fact these are the only calculated rates that reflect the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place.⁶⁴

In non-market economy (“NME”) cases, for companies not individually investigated and which were not found to be eligible for a separate rate, or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the NME-entity rate from the investigation.⁶⁵

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.⁶⁶

PRC

After considering the dumping margins determined in the investigation and the subsequent administrative reviews, we find that, as an indication of the magnitude of the margins likely to prevail, it is appropriate to provide the ITC with the margins determined in the LTFV investigation because those margins reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. We further determine that in accordance with the requirements set forth in the *Final Modification for Reviews* these margins were not affected by the denial of offsets for non-dumped sales, *i.e.*, zeroing.⁶⁷ Instead, they were based on the highest margin alleged in the petition.⁶⁸

⁶³ See *Eveready Battery Co. v. United States*, 77 F. Supp. 2d 1327, 1333 (CIT 1999).

⁶⁴ 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.

⁶⁵ See, *e.g.*, *Non-Malleable Cast Iron Pipe Fittings from the People’s Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 73 FR 39656 (July 10, 2008), and accompanying Issues and Decision Memorandum at Comment 2.

⁶⁶ See *Final Modification for Reviews*, 77 FR at 8103.

⁶⁷ As indicated in the “Legal Framework” portion of this memorandum, the Department’s practice is to not rely on weighted-average dumping margins calculated using the zeroing methodology that was modified in the *Final Modification for Reviews*. See *Final Modification for Reviews*, 77 FR at 8103. See also *Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 7244 (February 18, 2010), and accompanying Issues and Decision Memorandum; *Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 41808 (July 18, 2010), and accompanying Issues and Decision Memorandum.

⁶⁸ The margin set forth in the petition was, however, adjusted in light of an intervening decision from the Court of Appeals for the Federal Circuit. See *Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 75 FR 7244 (February 18, 2010), and accompanying Issues and Decision Memorandum; *Narrow Woven Ribbons with Woven Selvedge from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 41808 (July 18, 2010), and accompanying Issues and Decision Memorandum.

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.

Taiwan

After considering the dumping margins determined in the investigation and the subsequent administrative reviews, we find that, as an indication of the magnitude of the margins likely to prevail, it is appropriate to provide the ITC with the margins determined in the LTFV investigation because those margins reflect the behavior of manufacturers, producers, and exporters without the discipline of an order in place. We further determine that in accordance with the requirements set forth in the *Final Modification for Reviews* these margins were not affected by the denial of offsets for non-dumped sales, *i.e.*, zeroing.⁶⁹

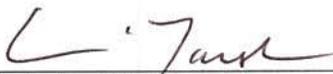
As a result, we will report to the ITC the margin of dumping likely to prevail listed in the “Final Results of Review” section below.

Final Results of Reviews

We determine that revocation of the *Orders* on NWRs from the PRC and Taiwan would likely lead to continuation or recurrence of dumping and the magnitude of the margins of dumping likely to prevail would be weighted-average margins up to 247.65 percent for the PRC and up to 4.37 percent for Taiwan.

Recommendation

Based on our analysis of the substantive responses received, we recommend adopting the above positions. If this recommendation is accepted, we will publish the final results of this expedited sunset review in the *Federal Register* and notify the ITC of the Department’s determination.



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

12/1/15

Date

⁶⁹ As indicated in the “Legal Framework” portion of this memorandum, the Department’s practice is to not rely on weighted-average dumping margins calculated using the zeroing methodology that was modified in the Final Modification for Reviews. See *Final Modification for Reviews*, 77 FR at 8103.

Attachment 1

Import Volume Data -- Narrow Woven Ribbons		
	<u>China</u>	<u>Taiwan</u>
Aug 08 - Jul 09	848,479	1,986,876
Oct 10 - Sep 11	704,793	2,551,130
Oct 11 - Sep 12	592,600	2,463,675
Oct 12 - Sep 13	772,506	2,414,259
Oct 13 - Sep 14	884,034	2,607,942

The figures above are based on the following HTSUS categories:

5806.32.1020
5806.32.1030
5806.32.1050
5806.32.1060

Source:

Int'l Trade Commission <https://dataweb.usitc.gov/>

NOTE – The Department placed these data on the record on November 24, 2015. *See* Memo to File from Robert Bolling: Expedited Sunset Reviews of the Antidumping Duty Order on Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China and Taiwan – Import Data, dated November 24, 2015