



A-122-503, A-351-503, A-570-502
Sunset Reviews
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AD/CVD OIII: SSL

DATE: February 4, 2016

MEMORANDUM TO: Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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

SUBJECT: Issues and Decision Memorandum for the Final Results of
Expedited Fourth Sunset Reviews of the Antidumping Duty Orders
on Certain Iron Construction Castings from Brazil, Canada, and
the People's Republic of China

I. SUMMARY

We have analyzed the substantive response of D&L Foundry, Inc., EJ USA, Inc. (formerly known as "East Jordan Iron Works, Inc."), Neenah Foundry Company, and U.S. Foundry and Manufacturing Corp. (collectively, "Petitioners"), the sole participating interested party in these sunset reviews of the antidumping orders on certain iron construction castings from Brazil¹, Canada², and the People's Republic of China ("PRC")³ (collectively, "AD ICC Orders" or "Orders"). No respondent interested party submitted a substantive response. Accordingly, we conducted an expedited (120-day) sunset review for each antidumping order. Below is a complete list of the issues in these sunset reviews for which we received substantive responses:

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

We recommend that you approve the positions described in the "Discussion of Issues" section of this memorandum.

¹ See *Antidumping Duty Order; Iron Construction Castings From Brazil*, 51 FR 17220 (May 9, 1986) ("Brazil ICC Order").

² See *Antidumping Duty Order; Certain Iron Construction Castings From Canada*, 51 FR 7600 (March 5, 1986), as amended by *Iron Construction Castings From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order*, 51 FR 34110 (September 25, 1986) (collectively, "Canada ICC Order").

³ See *Antidumping Duty Order; Iron Construction Castings From the People's Republic of China*, 51 FR 17222 (May 9, 1986) ("PRC ICC Order").



II. BACKGROUND

On October 1, 2015, the Department of Commerce (“Department”) published a notice of initiation of the fourth sunset reviews of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and the PRC pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”).⁴ On October 21, 2015, Petitioners notified the Department of their intent to participate within the 15-day period specified in section 351.218(d)(1)(i) of the Department’s regulations. In accordance with 19 CFR 351.218(d)(1)(ii)(A), Petitioners claimed interested party status under section 771(9)(C) of the Act as producers of the domestic-like product.

On November 2, 2015, the Department received complete substantive responses to the *Notice of Initiation*, with respect to the *AD ICC Orders*, from Petitioners within the 30-day period specified in 19 CFR 351.218(d)(3)(i).⁵ The Department received no substantive responses from respondent interested parties. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department is conducting expedited (120-day) sunset reviews of the antidumping duty orders on certain iron construction castings from Brazil, Canada, and the PRC.

As explained in the January 27, 2016, memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government during Snowstorm Jonas. All deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final results of this expedited sunset review is now February 4, 2016.⁶

III. SCOPE OF THE ORDERS

Brazil

The merchandise covered by the order consists of certain iron construction castings from Brazil, limited to manhole covers, rings, and frames, catch basin grates and frames, cleanout covers and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as heavy castings under Harmonized Tariff Schedule (“HTS”) item under 7325.10.0010; and to valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water and gas meters, classifiable as light castings under HTS item number 7325.10.0050. The HTS item numbers are provided for convenience and customs purposes only. The written product description remains dispositive.

⁴ See *Initiation of Five-Year (“Sunset”) Reviews*, 80 FR 59133 (October 1, 2015) (“*Notice of Initiation*”).

⁵ See Submissions from Petitioners to the Department, “Certain Iron Construction Castings From the People’s Republic of China: Five-Year (“Sunset”) Review of Antidumping Duty Order” (“PRC Substantive Response”), “Iron Construction Castings From Brazil: Five-Year (“Sunset”) Review of Antidumping Duty Order – Petitioners’ Substantive Response” (“Brazil Substantive Response”), and “Iron Construction Castings From Canada: Five-Year (“Sunset”) Review of Antidumping Duty Order – Petitioners’ Substantive Response” (“Canada Substantive Response”), each dated November 2, 2015.

⁶ See the Department’s memorandum to the File, “Tolling of Administrative Deadlines as a Result of the Government Closure during Snowstorm ‘Jonas’,” dated January 27, 2016 (“Tolling Memorandum”).

Canada

The merchandise covered by the order consists of certain iron construction castings from Canada, limited to manhole covers, rings, and frames, catch basin grates and frames, clean-out covers, and frames used for drainage or access purposes for public utility, water and sanitary systems, classifiable as heavy castings under HTS item number 7325.10.0010. The HTS item number is provided for convenience and customs purposes only. The written product description remains dispositive.

PRC

The products covered by the order are certain iron construction castings from the PRC, limited to manhole covers, rings and frames, catch basin grates and frames, cleanout covers and drains used for drainage or access purposes for public utilities, water and sanitary systems; and valve, service, and meter boxes which are placed below ground to encase water, gas, or other valves, or water or gas meters. These articles must be of cast iron, not alloyed, and not malleable. This merchandise is currently classifiable under the HTS item numbers 7325.10.0010 and 7325.10.0050. The HTS item numbers are provided for convenience and customs purposes. The written product description remains dispositive.

IV. HISTORY OF THE ORDERS

1) Final Determinations of Sales at Less-than-Fair-Value and Orders

On January 16, 1986, the Department published its final affirmative determination of sales at less than fair value (“LTFV”) in the Federal Register with respect to imports of certain iron construction castings from Canada.⁷ Subsequently, the Department published a notice amending its final determination.⁸ On March 19, 1986, the Department published its affirmative determination of sales at LTFV with respect to imports of certain iron construction castings from Brazil and the PRC.⁹

In the final determinations, the Department found the following antidumping duty margins:

<u>Country</u>	<u>Company</u>	<u>Weighted-Average Margin (Percent)</u>
<i>Brazil</i>	Fundicao Aldebara Ltda.	58.74
	Sociedade de Metalurgia E Processos, Ltd.	16.61
	Usina Siderurgica Paraensa S.A.	5.95
	All other manufacturers/producers/exporters	26.16

⁷ See *Certain Iron Construction Castings From Canada; Final Determination of Sales at Less Than Fair Value*, 51 FR 2412 (January 16, 1986).

⁸ See *Iron Construction Castings From Canada; Amendment to Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order*, 51 FR 34110 (September 25, 1986).

⁹ See *Certain Iron Construction Castings From Brazil; Final Determination of Sales at Less Than Fair Value*, 51 FR 9477 (March 19, 1986); *Certain Iron Construction Castings From the People’s Republic of China; Final Determination of Sales at Less Than Fair Value*, 51 FR 9483 (March 19, 1986).

<i>Canada</i>	Mueller Canada, Inc.	9.80
<i>(as amended)</i>	LaPerle Foundry, Ltd.	4.40
	Bibby Ste. Croix Foundries, Ltd.	8.60
	All others	7.50
<i>PRC</i>	All Producers, Manufacturers, and Exporters	11.66

Following the publication of the Department’s final determinations, the International Trade Commission (“ITC”) found that the U.S. industry was materially injured or threatened with material injury by reason of the imports of subject merchandise.¹⁰ On March 5, 1986, the Department published the antidumping duty order on certain iron construction castings from Canada.¹¹ On May 9, 1986, the Department published the antidumping duty orders on certain iron construction castings from Brazil and the PRC.¹²

2) Subsequent Administrative Reviews

As summarized below, since publication of the *ICC Orders*, the Department has completed subsequent administrative reviews for Brazil, Canada, and the PRC. However, there have been no administrative reviews for any of the three antidumping orders since the prior (third) sunset review.¹³

Deposit rates remain in effect for imports of subject merchandise from Brazil, Canada, and the PRC.

Brazil

Since the publication of the *Brazil ICC Order*, the Department has completed two administrative reviews of the antidumping order on certain iron construction castings from Brazil.¹⁴ In the completed administrative reviews, the Department found that the producers/exporters continued to dump subject merchandise at levels above *de minimis* with the order in place.

¹⁰ See *Iron Construction Castings From Brazil, India, and the People’s Republic of China*, 51 FR 16906 (May 7, 1986); *Iron Construction Castings from Brazil, India, and the People’s Republic of China: Determination of the Commission in Investigations Nos. 701-TA-249 and 731-TA-262, 264, and 265 (Final) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations*, USITC Publication No. 1838 (April 1986); *Iron Construction Castings from Canada, Inv. No. 731-TA-263 (Final)*, USITC Publication No. 1811 (February 1986).

¹¹ See *Canada ICC Order*.

¹² See *PRC and Brazil ICC Orders*.

¹³ See *Certain Iron Construction Castings From Brazil, Canada, and the People’s Republic of China: Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders*, 75 FR 54595 (September 8, 2010) (“*Third Sunset*”) and *Certain Iron Construction Castings from Brazil, Canada, and the People’s Republic of China: Continuation of Antidumping and Countervailing Duty Orders*, 75 FR 70900 (November 19, 2010) (“*Third Sunset Continuation Notice*”).

¹⁴ See *Certain Iron Construction Castings From Brazil; Final Results of Antidumping Duty Administrative Review*, 55 FR 43019 (October 25, 1990); *Certain Iron Construction Castings From Brazil; Final Results of Antidumping Duty Administrative Review*, 55 FR 26238 (June 27, 1990), as amended in *Certain Iron Construction Castings From Brazil; Amendment to Final Results of Antidumping Duty Administrative Review*, 55 FR 41262 (October 10, 1990).

Canada

Since the publication of the antidumping duty order, the Department initiated eight administrative reviews of the antidumping duty order on certain iron construction castings from Canada, completing six reviews and rescinding two reviews.¹⁵ In the completed administrative reviews, the Department found that the producers/exporters continued to dump subject merchandise at levels above *de minimis* with the order in place.

PRC

Since the publication of the antidumping duty order, the Department has completed five administrative reviews of the antidumping duty order on certain iron construction castings from the PRC.¹⁶ In each administrative review, the Department found that the producers/exporters continued to dump subject merchandise at levels above *de minimis* with the order in place.

3) Duty-Absorption Findings, Changed-Circumstances Reviews, Scope Inquiries

There have been no duty-absorption findings with respect to the *AD ICC Orders*.

Brazil

There have been no changed-circumstances reviews with respect to the *Brazil ICC Order*.

There have been two scope rulings with respect to the *Brazil ICC Order*:

- April 28, 1995 – Certain iron frames and grates are outside the scope of the order.¹⁷
- May 3, 2007 – Iron construction castings made of gray and ductile cast iron are within the scope of the order.¹⁸

¹⁵ See *Iron Construction Castings From Canada: Notice of Final Results of Antidumping Duty Administrative Review*, 67 FR 53564 (August 16, 2002); *Iron Construction Castings from Canada; Final Results of Antidumping Duty Administrative Review*, 66 FR 18900 (April 12, 2001); *Certain Iron Construction Castings From Canada; Final Results of Antidumping Duty Administrative Review*, 60 FR 9009 (February 16, 1995); *Final Results of Antidumping Duty Administrative Review; Iron Construction Castings From Canada*, 59 FR 25603 (May 17, 1994); *Iron Construction Castings From Canada; Final Results of Antidumping Duty Administrative Review*, 56 FR 23274 (May 21, 1991); *Certain Iron Construction Castings From Canada; Final Results of Antidumping Duty Administrative Review*, 55 FR 460 (January 5, 1990).

¹⁶ See *Iron Construction Castings From the People's Republic of China: Final Results of Antidumping Duty Administrative Review*, 60 FR 51454 (October 2, 1995); *Certain Iron Construction Castings From the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 57 FR 24245 (June 8, 1992), as amended in *Certain Iron Construction Castings from the People's Republic of China; Amended Final Results of Antidumping Duty Administrative Review in Accordance with Court Decision*, 67 FR 57213 (September 9, 2002); *Final Results of Antidumping Duty Administrative Review; Certain Iron Construction Castings from the People's Republic of China*, 57 FR 10644 (March 27, 1992), amended in *Iron Construction Castings from the People's Republic of China; Amended Final Results of Antidumping Duty Administrative Review in Accordance with Court Decision*, 67 FR 57211 (September 9, 2002) (*Amended Final Results*); *Iron Construction Castings from the People's Republic of China; Final Results of Antidumping Duty Administrative Review*, 56 FR 2742 (January 24, 1991), also amended in *Amended Final Results*.

¹⁷ See *Notice of Scope Rulings*, 60 FR 36782 (July 18, 1995).

¹⁸ See *Notice of Scope Rulings*, 72 FR 43245 (August 3, 2007).

Canada

The Department conducted a changed-circumstances review of the *Canada ICC Order* in 1988, which resulted in the revocation of the antidumping duty order with respect to “light” castings.¹⁹ The Department conducted an additional changed-circumstances review of the *Canada ICC Order* in 2002, in which the Department determined that three unincorporated foundries, Bibby Ste. Croix, LaPerle, and GrandMere, were owned by the same company, Canada Pipe Ltd., during the 1999-2000 administrative review and assigned them the same cash deposit rate of 3.89 percent.²⁰

There has been one scope ruling with respect to certain iron construction castings from Canada:

- May 3, 2007 – Iron construction castings made of gray and ductile cast iron are within the scope of the order.²¹

PRC

There have been no changed-circumstances reviews with respect to the *PRC ICC Order*.

There have been numerous scope rulings with respect to the *PRC ICC Order*:

- August 28, 1995 – Certain cast iron, floor area drains are not covered by the order.²²
- August 13, 1997 – Certain “Y” pipe strainers are not covered by the order.²³
- October 17, 2003 – Certain manhole frames and covers are covered by the order.²⁴
- October 17, 2003 – Certain cast iron full-flanged rings and cast iron gas lids are not covered by the order.²⁵
- September 7, 2005 – Iron cast bases, upper bodies, and lids are covered by the order and meter box frames, covers, and extension rings are not covered by the order.²⁶
- August 8, 2006 – Certain iron frame and grate are not covered by the order.²⁷
- January 18, 2007 – Certain cast iron bases and upper bodies for meter boxes are not covered by the order.²⁸
- May 3, 2007 – Iron construction casting made of gray and ductile cast iron are covered by the order.²⁹

¹⁹ See *Iron Construction Castings From Canada: Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order*, 63 FR 49687 (September 17, 1998), amended by *Iron Construction Castings from Canada: Notice of Final Results of Changed Circumstances Antidumping Duty Administrative Review, and Revocation in Part of Antidumping Duty Order: Correction*, 63 FR 50881 (September 23, 1998).

²⁰ The cash deposit rate of 3.89 percent was calculated in the 1999-2000 administrative review of Canada Pipe, Ltd. See *Iron Construction Castings from Canada: Notice of Final Results of Changed Circumstances Antidumping Duty Review*, 67 FR 53562 (August 16, 2002).

²¹ See *Notice of Scope Rulings*, 72 FR 43245 (August 3, 2007).

²² See *Notice of Scope Rulings*, 60 FR 54213 (October 20, 1995).

²³ See *Notice of Scope Rulings*, 62 FR 62288 (November 21, 1997).

²⁴ See *Notice of Scope Rulings*, 70 FR 24533 (May 10, 2005).

²⁵ *Id.*

²⁶ See *Notice of Scope Rulings*, 70 FR 70785 (November 23, 2005).

²⁷ See *Notice of Scope Rulings*, 71 FR 66167 (November 13, 2006).

²⁸ See *Notice of Scope Rulings*, 72 FR 23802 (May 1, 2007).

²⁹ See *Notice of Scope Rulings*, 72 FR 43245 (August 3, 2007).

- July 21, 2008 – Certain cast iron lids and bases for curb boxes are not covered by the order.³⁰
- April 16, 2010 – Six grates, frame, and flapper are not covered by the order.³¹

4) Prior Sunset Reviews

The Department published the final results of the first sunset review on June 7, 1999, in which it determined that, in each proceeding, revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping.³² As a result and pursuant to section 751(d)(2) of the Act, the Department published a notice of continuation following the ITC’s determination that revocation of the orders would likely lead to a continuation or recurrence of material injury to the domestic industry within the foreseeable time.³³

The Department published the final results of the second sunset reviews on May 10, 2005, in which it again determined that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping.³⁴ As a result and pursuant to section 751(d)(2) of the Act, the Department published a notice of continuation following the ITC’s determination that revocation of the orders would likely lead to a continuation or recurrence of material injury to the domestic industry within the foreseeable time.³⁵

The Department published the final results of its *Third Sunset* on September 8, 2010.³⁶ In the final results of those reviews, the Department determined that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping. As a result and pursuant to section 751(d)(2) of the Act, the Department published the *Third Sunset Continuation Notice* on November 19, 2010 following the ITC’s determination that revocation of the orders would likely lead to a continuation or recurrence of material injury to the domestic industry within the foreseeable time.³⁷

³⁰ See *Notice of Scope Rulings*, 73 FR 72771 (December 1, 2008).

³¹ See the Department’s memorandum, “Certain Iron Construction Castings from the People’s Republic of China: “NDS” Final Scope Ruling,” dated April 16, 2010.

³² See *Final Results of Expedited Sunset Reviews: Certain Iron Construction Castings from Brazil, Canada and the People’s Republic of China*, 64 FR 30310 (June 7, 1999) (“*First ICC Sunset*”).

³³ See *Notice of Continuation of Antidumping Duty Orders: Certain Iron Construction Castings from Brazil, Canada, and the People’s Republic of China*, 64 FR 61590 (November 12, 1999).

³⁴ See *Certain Iron Construction Castings from Brazil; Final Results of Five-Year (“Sunset”) Review of Antidumping Duty Order*, 70 FR 24513 (May 10, 2005), *Certain Iron Construction Castings from Canada; Five-Year (“Sunset”) Review of Antidumping Duty Order; Final Results*, 70 FR 24512 (May 10, 2005), and *Certain Iron Construction Castings from China; Five-Year (“Sunset”) Review of Antidumping Duty Order; Final Results*, 70 FR 24511 (May 10, 2005) (collectively, “*Second ICC Sunsets*”).

³⁵ See *Continuation of Antidumping Duty Orders on Certain Iron Construction Castings from Brazil, Canada and the People’s Republic of China, and the Countervailing Duty Order on Heavy Iron Construction Castings from Brazil*, 70 FR 37326 (June 29, 2005).

³⁶ See *Third Sunset*, 75 FR at 54596.

³⁷ See *Third Sunset Continuation Notice*, 75 FR at 70900.

V. LEGAL FRAMEWORK

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

In accordance with the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act, specifically the Statement of Administrative Action (“SAA”),³⁸ the House Report,³⁹ and the Senate Report,⁴⁰ the Department’s determinations of likelihood will be made on an order-wide, rather than a company-specific, basis.⁴¹ In addition, the Department normally determines that revocation of an antidumping duty order is likely to lead to continuation or recurrence of dumping when: (a) dumping continued at any level above *de minimis* after the issuance of the orders; (b) imports of the subject merchandise ceased after the issuance of the orders; (c) dumping was eliminated after the issuance of the orders and import volumes for the subject merchandise declined significantly.⁴² Alternatively, the Department normally will determine that revocation of an antidumping duty (“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.⁴³

Furthermore, 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 the investigation may dampen import volumes and, thus, skew the comparison.⁴⁴ 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.⁴⁵

In addition, section 752(c)(3) of the Act states that the magnitude of the dumping margin likely to prevail if the orders were revoked shall be provided by the Department to the ITC. 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

³⁸ See HR. Doc. 103-316, vol. 1 (1994) (“SAA”), reprinted in 1994 U.S.C.C.A.N. 4040 (1994).

³⁹ See H. Rep. No. 103-826, pt. 1 (1994) (“House Report”), reprinted in 1994 U.S.C.C.A.N. 3773 (1994).

⁴⁰ See S. Rep. No. 103-412 (1994) (“Senate Report”).

⁴¹ See SAA at 879; *see also* House Report at 56.

⁴² See SAA at 889-890; *see also* House Report at 63-64; Senate Report at 52; *Policies Regarding the Conduct of Five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871, 18872 (April 16, 1998) (“*Sunset Policy*”).

⁴³ See SAA at 889-890; *see also* House Report at 63.

⁴⁴ 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.

⁴⁵ See *Ferrovandium 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.

without the discipline of an order in place.⁴⁶ In certain circumstances, however, 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”).⁴⁷ 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 LTFV.⁴⁸

On February 14, 2012, the Department announced it was modifying its practice in sunset reviews, such that it would not rely on weighted-average dumping margins calculated using the “zeroing” methodology found to be inconsistent with World Trade Organization (“WTO”) obligations.⁴⁹ 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.⁵⁰ 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 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.”⁵¹

VI. DISCUSSION OF THE ISSUES

1. Likelihood of Continuation or Recurrence of Dumping

Petitioners’ Comments on Brazil

Petitioners argue that the revocation of the *Brazil ICC Order* would likely lead to continued dumping by the Brazilian producers/exporters of the subject iron construction castings. Petitioners assert that, since the imposition of the order, the Brazilian producers have dramatically reduced their sales to the United States. Specifically, available import data demonstrate the following:

⁴⁶ 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.

⁴⁷ See SAA at 890-91.

⁴⁸ 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.

⁴⁹ 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*”).

⁵⁰ *Id.*

⁵¹ *Id.* at 8109.

- Imports of manhole covers, rings and frames (“manhole assemblies”), which Petitioners claim to be the only subject product for which discrete data are available from the date of the order, declined to zero in the years after the implementation of the *Brazil ICC Order* and averaged 800,000 pounds per year in the most recent review period, which is only four percent of the imports from Brazil in 1985 (*i.e.*, the year immediately preceding the imposition of the *Brazil ICC Order*).
- Imports of other subject products are also at low levels due to the stiff AD order and cash deposit requirements in effect.

Petitioners assert that these overall import trends demonstrate not only the impact of the duties, but also the inability of Brazilian producers to export to the United States at pre-order levels without the benefit of unfair pricing. Petitioners note that, in every administrative review of the *Brazil ICC Order*, the Department determined that respondents continued to sell at less than fair value. Therefore, Petitioners conclude, the Department should find that Brazilian producers/exporters would continue or resume dumping were the order revoked in accordance with 752(c)(1)(B) of the Act.

Petitioners’ Comments on Canada

Petitioners argue that revocation of the *Canada ICC Order* would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise. Petitioners assert that there has been a substantial decline in the volume of imports of certain iron construction castings from Canada following the imposition of the order, demonstrating the inability of Canadian producers and exporters to sell subject merchandise in the United States without dumping. Specifically, available import data demonstrate the following:

- Imports of manhole assemblies began to decline substantially shortly after the antidumping duty order was issued and have steadily declined over time. In the most recent sunset period such imports were less than ten percent of the volume of imports from Canada in 1985, the year immediately preceding the imposition of the *Canada ICC Order*.
- Imports of other heavy construction castings other than manhole assemblies from Canada have decreased over the past fifteen years, from 6.0 million pounds in 1999 to just 379,000 pounds in 2014.

Petitioners assert that these overall import trends demonstrate not only the impact of the duties, but also the inability of Canadian producers to export to the United States at pre-order levels without the benefit of unfair pricing. Moreover, Petitioners note that the Department conducted six administrative reviews of the *Canada ICC Order* and found that respondents have continued to sell at less than fair value. Therefore, Petitioners conclude that the Department should find that Canadian producers/exporters would continue or resume dumping if revocation of the order occurred.

Petitioners’ Comments on the PRC

Petitioners argue that revocation of the *PRC ICC Order* would likely lead to a continuation or recurrence of dumping by the manufacturers/producers and exporters of the subject merchandise.

Petitioners assert that there has been a substantial decline in the volume of imports of certain iron construction castings from the PRC following the imposition of the order, demonstrating the inability of PRC producers and exporters to sell subject merchandise in the United States without dumping. Specifically, available import data demonstrate the following:

- Imports of manhole assemblies, which are the largest selling construction castings product in the U.S. market and the only product for which discrete data are available, began to decline after the antidumping duty order was issued and then declined substantially after 1991 when the relatively low dumping rates established in the investigation were replaced with more stringent rates established by subsequent administrative reviews. In the most recent review period (2010-2014), Chinese imports of manhole assemblies averaged only 1.3 million pounds, in comparison to 27.6 million pounds in the year prior to the less than fair value investigation.
- Between 2010 and 2014, imports of all heavy and light construction castings imports, including manhole assemblies, averaged only 4.1 million pounds – representing only 24 percent of pre-order levels.

Petitioners assert that these overall import trends demonstrate not only the impact of the duties, but also the inability of PRC producers to export to the United States at pre-order levels without the benefit of unfair pricing. Moreover, Petitioners note that the Department conducted several administrative reviews of the *PRC ICC Order* and found that respondents have continued to sell at less than fair value. Therefore, Petitioners conclude that the Department should find that PRC producers/exporters would continue or resume dumping if revocation of the order occurred.

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 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.”⁵² 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.”⁵³

When analyzing import volumes for the 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.*, 1984-1985, as the underlying investigations were initiated in June 1985) to

⁵² See SAA at 890.

⁵³ *Id.* at 889, the House Report at 63, and the Senate Report at 52.

import volumes since the issuance of the last continuation notice.⁵⁴ The last continuation notice for these sunset reviews was issued in November 2010. Therefore, consistent with this practice, the Department would typically examine import volumes in 1984 and 1985 as compared to import volumes during the five year sunset review period (*i.e.*, 2011-2015). However, discrete Harmonized Tariff Schedule of the United States (“HTSUS”) classification of the subject merchandise was not established at the time of, or prior to, the initial investigation and issuance of the *Orders* and only became available since 1999 as a result of reclassification of HTSUS import categories at that time.

Specifically, the scope of the *Orders* identifies certain heavy and light iron construction casting materials generally classifiable under HTSUS 7325.10.00.10 (“Other cast articles of iron or steel: Of nonmalleable cast iron - Manhole Covers, Rings, and Frames”) and 7325.10.00.50 (“Other cast articles of iron or steel: Of nonmalleable cast iron - Other”).⁵⁵ In July 1999, the HTSUS 7325.10.00.50 “Other” category was further broken out into a number of heavy and light construction casting products, as well as non-subject castings: *i.e.*, HTSUS 7325.10.0020 for subject “heavy” catch basins, grates, and frames; HTSUS 7325.10.0025 for subject “heavy” cleanout covers and frames; HTSUS 7325.10.0030 for subject “light” valve and service boxes, and HTSUS 7325.10.0035 for subject “light” meter boxes; and, finally, 7325.10.0080 (“Other”), which includes other nonmalleable cast iron articles not elsewhere specified or indicated in the HTSUS 7325.10.00 subcategories (whether “heavy” or “light”). Because the pre-1999 reclassification of the HTSUS 7325.10.00.50 broke out this basket category into distinct HTSUS numbers for subject and non-subject products, data for pre- and post-order volumes of imports of all subject merchandise that is complete, and reported on the same basis, are not available. Whereas discrete data are unavailable for a direct comparison to pre-investigation import levels on the same basis for all subject products, without some potential for including non-subject merchandise in any such comparison: 1) trade data exclusive to, and inclusive of, all imports of subject merchandise are available since the HTSUS reclassification in 1999; and 2) trade data exclusive to and inclusive of imports of the manhole assembly subset of subject merchandise under HTSUS 7325.10.0010 (which represents the largest selling construction castings product in the U.S. market both at present and at the time of the investigation) are available since the period before the investigation to present.

⁵⁴ See, *e.g.*, *Small Diameter Graphite Electrodes from the People's Republic of China: Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 79 FR 26208 (May 7, 2014) and accompanying Issues and Decision Memorandum at 8; see also *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.

⁵⁵ The language of the scope of the *Orders* indicates that “heavy” castings (*i.e.*, manhole covers, rings, and frames) classifiable under HTSUS 7325.10.00.10; catch basins, grates, and frames later classifiable under HTSUS 7325.10.00.20; and cleanout covers and frames later classifiable under HTSUS 7325.10.00.30) were all generally classifiable at the time of the LTFV investigations and *Orders* under Tariff Schedule of the United States (“TSUS”) number 657.09.50 (later HTSUS 7325.10.00.10, pursuant to harmonization in 1989), whereas “light” castings (*i.e.*, valve, service, and meter boxes later classifiable under HTSUS 7325.10.00.30 and .35) were generally classified under TSUS 657.09.90/HTSUS 7325.10.0050. However, a review of the HTSUS archival information shows that, then as now, 7325.10.0010 exclusively covered manhole covers, rings, and frames, whereas all other castings (whether “heavy” or “light”, subject or non-subject) would have been properly categorized in the 7325.10.0050 “Other” category from the time of the implementation of the *Orders* until the categories were further broken out in 1999. See, *e.g.*, the 1987 HTSUS schedule available at <https://www.usitc.gov/tata/hts/archive/8900/890c73.pdf>.

Accordingly, the Department finds that the available information is sufficient for us to analyze and make a determination with respect to the level of pre- and post-order import volumes for all in-scope products covered by the *Orders*. While the HTSUS category differences and reclassifications before and after 1999 do not allow for a direct comparison of import volumes made under the HTSUS categories in effect during the five-year sunset period and import volumes made under the HTSUS categories in effect in the year preceding the LTFV investigations, a comparison of the data for imports of subject merchandise in this sunset period to data for imports of subject merchandise prior to the investigations allows the Department to determine whether imports of subject merchandise have decreased since the initial investigation. Specifically, for all *Orders*, record information allows for a direct one-to-one comparison between imports of the largest subset of subject merchandise (*i.e.*, manhole assemblies) in the 2011-2015 sunset review period and in the 1984-1985 period prior to the initial investigation and, further, allows for a comparison between imports of all subject merchandise in the instant sunset review period (*i.e.*, aggregate data for imports of manhole assemblies under 7325.10.0010, basins and covers under 7325.10.0020, cleanout covers under 7325.10.0025, valve and service boxes under 7325.10.0030, and meter boxes under 7325.10.0035) to imports of only manhole assemblies under 7325.10.0010 in the 1984-1985 period prior to the initial investigation. As discussed in detail below, the data for each *Order* show that imports of all subject merchandise in the most recent sunset period (including manhole assemblies) were substantially lower than pre-investigation import levels of only a subset of subject merchandise (*i.e.*, manhole assemblies). Thus, we find that revocation of the *Orders* would be likely to result in the continuation or recurrence of dumping in the United States.

Brazil: The Department examined the ITC Dataweb statistics provided by Petitioners for the relevant periods.⁵⁶ Trade data for imports of manhole assemblies under HTSUS 7325.10.0010 from Brazil show that imports of manhole assemblies from Brazil averaged less than 800,000 pounds (lbs.) per year (ranging from approximately 500,000 lbs. per year to 1,000,000 lbs. per year) in the 2011-2015 period, consistent with the levels in all prior sunset periods, compared with 11,328,000 lbs. (1984) and 19,508,000 lbs. (1985) in the years prior to the investigation.⁵⁷ Moreover imports of products classified in all distinct categories of both “light” and “heavy” subject merchandise in aggregate (*i.e.*, HTSUS 7325.10.0010, 7325.10.0020, 7325.10.0025, 7325.10.0030, and 7325.10.0035) averaged less than 1,000,000 lbs. per year (ranging from approximately 400,000 lbs. per year to 1,300,000 lbs. per year) in the 2011-2015 period, consistent with prior sunset periods.⁵⁸ Accordingly, imports of all subject merchandise in the most recent sunset period were *at most* 5 to 8 percent pre-investigation import levels of only subject manhole assemblies.⁵⁹

⁵⁶ See Brazil Substantive Response.

⁵⁷ *Id.*, at Attachment Table 1.

⁵⁸ *Id.*, at Attachment Table 5.

⁵⁹ *Id.*, at Attachment Tables 1 and 5.

If companies continue to dump with the discipline of an antidumping duty order in place, it is reasonable to assume that dumping would continue if the antidumping duty order were removed.⁶⁰ For Brazil, the Department found dumping at above *de minimis* levels in the original antidumping duty investigations against Brazilian manufacturers and exporters. The margins determined in the underlying investigation remain in effect for the investigated companies. Due to the length of these proceedings, the record relating to the Department's original margin calculations and methodology is limited. However, the Department is able to identify certain calculations for the final 58.74 weighted-average margin calculated for Fundicao Aldebara Ltda., which demonstrate positive non-zeroed margin calculations. Thus, the margin calculation information available on the record of the investigation suggests that the weighted-average margins were calculated without zeroing (*see* further discussion, below). Accordingly, pursuant to section 752(c)(1) of the Act, given the existence of dumping margins above *de minimis* levels, the Department determines that dumping is likely to recur if the *Brazil ICC Order* is revoked.

Canada: The Department examined the ITC Dataweb statistics provided by Petitioners for the relevant periods. Trade data for imports of manhole assemblies under HTSUS 7325.10.0010 from Canada show that imports of manhole assemblies from Canada averaged less than 1,300,000 lbs. per year (ranging from approximately 550,000 lbs. per year to 3,500,000 lbs. per year) in the 2011-2015 period compared with 14,313,000 lbs. (1984) and 21,004,000 (1985) in the years prior to the investigation – a notable decline from volumes in prior sunset periods.⁶¹ Moreover, imports of products classified in other distinct categories of “heavy” subject merchandise in total (*i.e.*, HTSUS 7325.10.0020 and 7325.10.0035)⁶² averaged less than 800,000 lbs. per year in the 2011-2015 period and, when taken together with the manhole assembly imports, show that yearly imports of all subject products in the sunset period were *at most* 10 percent of the pre-*Order* levels of yearly imports of only subject manhole assemblies.⁶³

In addition, we note that the margins established in the LTFV investigation remain in effect for all Canadian producers/exporters. However, as discussed in further detail below, we note that the Department's records of the ICC Canada proceedings either currently provide no information on the calculation of certain margins, indicated that we used zeroing in calculating prior margins but do not currently include a complete dataset for recalculation without zeroing, or indicate that a recalculation without zeroing of a prior margin to allow offsets would not result in a revised margin above *de minimis*. Nevertheless, the Department finds that the decline in volume over the history of the *Canada ICC Order* is attributed to parties refraining from above-*de minimis* dumping and is sufficient evidence to conclude that dumping would likely continue or recur if the order is revoked, pursuant to section 752(c)(1) of the Act.

PRC: The Department examined the ITC Dataweb statistics provided by Petitioners for the relevant periods. Trade data for imports of manhole assemblies under HTSUS 7325.10.0010 from the PRC show that imports of manhole assemblies from the PRC averaged less than

⁶⁰ *See* SAA at 890.

⁶¹ *See* Canada Substantive Response, at Attachment Table 1.

⁶² As noted above, the Department revoked the *Canada ICC Order* with respect to “light” castings and, thus, import data for HTSUS 7325,10,0030, and 7325.10.0035 is not applicable to the Canada sunset.

⁶³ *See* Canada Substantive Response, at Attachment Tables 1 and 2.

1,400,000 lbs. per year (ranging from approximately 1,000,000 lbs. per year to 1,900,000 lbs. per year) in the 2011-2015 period, consistent with the levels in all prior sunset periods, and compared with 6,421,000 lbs. (1984) and 11,673,000 lbs. (1985) in the years prior to the investigation and 27,637,000 lbs. of imports in 1991 (which, as discussed below, is the year in which ICC imports from the PRC began to steeply decrease).⁶⁴ Moreover, imports of products classified in all distinct categories of both “light” and “heavy” subject merchandise in aggregate (*i.e.*, HTSUS 7325.10.0010, 7325.10.0020, 7325.10.0025, 7325.10.0030, and 7325.10.0035) averaged approximately 4,500,000 lbs. per year (ranging from approximately 3,300,000 lbs. per year to 6,400,000 lbs. per year) in the 2011-2015 period, consistent with prior sunset periods.⁶⁵ Accordingly, imports of all subject merchandise in the sunset period were *at most* 40 to 70 percent pre-investigation levels and 16 percent of 1991 levels of imports of only subject manhole assemblies.⁶⁶

In addition, the Department found that PRC producers/exporters continued to dump subject merchandise at above-*de minimis* dumping margins during the course of subsequent administrative reviews and cash deposit rates above the *de minimis* level continue in effect for exports of subject merchandise by all known PRC exporters. Further, we note that the highest of these margins is based on the overall average of margins alleged in the LTFV petition, as subsequently assigned to a respondent in *Amended Final Results II*, and thus did not involve the denial of offsets in accordance with the *Final Modification for Reviews*.⁶⁷ Accordingly, given the existence of dumping margins above *de minimis* levels, the Department finds that dumping would likely continue or recur if the order is revoked, pursuant to section 752(c)(1) of the Act.

2. Magnitude of the Margin Likely to Prevail

Petitioners’ Comments

Petitioners cite the SAA and the *Policy Bulletin* to explain that, in determining the magnitude of the margins of dumping that are likely to prevail in the event of a revocation of an order, the Department will normally select the company-specific rate(s) from the original investigation, as this is the only calculated rate that reflects the behavior of exporters and foreign governments without the discipline of an order in place. Furthermore, Petitioners state that the Department’s *Final Modification for Reviews* had no effect on this conclusion.⁶⁸ Therefore, Petitioners request that, as it did in the prior sunset review determinations, the Department reply upon the company-specific margins from the original investigation as the magnitude of the margin of dumping that is likely to prevail for investigated companies in Brazil and Canada. In the case of the PRC, however, Petitioners suggest that it would be more appropriate to provide to the ITC one of the rates that was applied to the imports after 1990, since it was in 1991 that the antidumping duty rate increased from 11.66 percent to almost 13 percent and continued to increase in subsequent

⁶⁴ See also PRC Substantive Response, at Attachment Table 1. Petitioners contend that only after 1991 did the antidumping duty margins on PRC producer/exporters reach a level so as to be an effective deterrent for dumping and, thus, a decline in imports was not realized until this point.

⁶⁵ See PRC Substantive Response at Attachment Table 5.

⁶⁶ *Id.*, at Attachment Tables 1 and 5.

⁶⁷ See *Certain Iron Construction Castings from the People’s Republic of China; Amended Final Results of Antidumping Duty Administrative Review in Accordance with Court Decision*, 67 FR 57213 (September 9, 2002) (“*Amended Final Results II*”).

reviews. Because dumping margins did not have any effect on the behavior of PRC producers and/or exporters until 1991, Petitioners argue that the Department should rely on the 25.52 percent rate calculated in the 1990-1991 period of review, as it did in the prior sunset reviews.

Domestic interested parties recommend that the Department report the antidumping duty margins for certain iron construction castings from Brazil, Canada, and the PRC as follows:

<u>Country</u>	<u>Company</u>	<u>Recommended Weighted-Average Margin (Percent)</u>
<i>Brazil</i>	Fundicao Aldebara Ltda.	58.74
	Sociedade de Metalurgia E. Processos, Ltda.	16.61
	Usina Siderurgica Paraensa S.A.	5.95
	All other manufacturers/producers/exporters	26.16
<i>Canada</i>	Mueller Canada, Inc.	9.80
	Bibby Ste. Croix Foundries, Inc.	8.60
	LaPerle Foundry, Ltd.	4.40
	All Others	7.50
<i>PRC</i>	PRC-Wide Rate	25.52

Department’s 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 were revoked. The Department’s preference is to select a rate from the investigation because it is based on the fact that it is the only calculated rate that reflects the behavior of manufacturers, producers, and exporters without the discipline of an order or suspension agreement in place.⁶⁹ Under certain circumstances, however, we may select a more recently calculated rate to report to the ITC.⁷⁰

Finally, 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 found to be WTO-inconsistent, in accordance with the *Final Modification for Reviews*. Instead, we may rely on other available rates, or we may recalculate weighted-average dumping margins using our current offsetting methodology in extraordinary circumstances.⁷¹

⁶⁸ Petitioners state in their November 2, 2015, substantive response that there is no record evidence available to domestic interest parties that zeroing was used in calculating any of the dumping margins for Brazilian and Canadian respondents. As a result, Petitioners assert, the dumping margins from the original investigation are consistent with the Department’s *Final Modification for Reviews*.

⁶⁹ See SAA at 890 and Policies Regarding the Conduct of five-year (“Sunset”) Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin, at section II.B.1; see also, e.g., *Prestressed Concrete Steel Wire Strand from the People’s Republic of China: Final Results of Expedited Sunset Review of the Antidumping Duty Order*, 80 FR 43063 (July 21, 2015), and accompanying Issues and Decision Memorandum at Issue 2.

⁷⁰ See section 752(c)(3) of the Act and, e.g., *Final Results of Full Sunset Review: Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide From the Netherlands*, 65 FR 65294 (November 1, 2000), and the accompanying Issues and Decision Memorandum at Comment 3 (citing SAA at 890-91 and House Report at 64).

⁷¹ *Id.*

Brazil: After considering the dumping margins determined in the LTFV investigation, we find that it is appropriate to provide the ITC with 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. The Department's 30-year-old official file for the underlying LTFV proceeding does not provide a full record of the methodology for the margins calculated. Nevertheless, the Department's calculations for Fundicao Aldebara, Ltda. are more complete, and demonstrate positive non-zeroed sample margin calculations leading to the final 58.74 weighted-average margin.⁷² Thus, the only information available on the record with respect to the calculation of margins from the investigation indicates that the weighted-average margin for Fundicao Aldebara, Ltda. was calculated without zeroing. Pursuant to section 752(c)(3) of the Act, we will report to the ITC the 58.74 percent investigation rate for Fundicao Aldebara Ltda. as the margin likely to prevail, as indicated in the "Final Results of Reviews" section of this memorandum.

Canada: In prior sunset reviews of the *Canada ICC Order*, we determined that it was appropriate to provide the ITC with margins from the LTFV investigation for the magnitude of the margin likely to prevail because these margins best reflected the behavior of manufacturers, producers, and exporters without the discipline of an order in place. However, as discussed above and in the *Final Modification for Reviews*, the Department has modified its practice in sunset reviews such that it now limits its reliance to margins that are not calculated using the "zeroing" methodology found to be WTO-inconsistent, apart from the most extraordinary circumstances.

The Department reviewed its official records to establish whether the dumping margins determined in the LTFV investigation and all subsequent reviews and administrative proceedings of the *Canada ICC Order* were calculated using zeroing. Due to the length of these proceedings, the record relating to the Department's original margin calculations and methodology is limited and the 30-year-old official file for the underlying LTFV proceeding and certain subsequent administrative proceedings does not provide a full record of the methodology for all margins calculated. As noted in the Data Supplement, because of the length of this proceeding, the information related to margin calculations that is available is somewhat limited. The Department has been able to examine calculations for Muller Canada Inc.'s 9.8 percent margin in the LTFV investigation (*i.e.*, the highest margin on the record of the *ICC Canada Order*, used as AFA in subsequent reviews and listed as the highest margin likely to prevail in prior sunset reviews) and the calculations for the margins calculated in the fifth and sixth administrative reviews of the *ICC Canada Order* in 2001 and 2002 (3.89 and 1.43 percent margins, respectively, for Canada Pipe, Inc.). The information for all three calculations shows that these margins reflect the denial of offsets.⁷³ The current administrative records do not allow for an examination of any other margin calculated on the record of the *ICC Canada Order*.

We have also considered whether it is possible to recalculate these margins without zeroing, and

⁷² See the Department's memorandum to the file, "Final Results of Expedited Fourth Sunset Reviews of the Antidumping Duty Orders on Certain Iron Construction Castings from Brazil, Canada, and the People's Republic of China: Data Supplement," dated concurrently with this memorandum ("Data Supplement").

⁷³ *Id.*

if so, whether the resulting calculation would result in above *de minimis* margins. Based on our analysis of the available information, we find that, to the extent that the record would even allow for a recalculation without zeroing of these three margins, allowing offsets for the negative margins would result in *de minimis* margins.⁷⁴ Accordingly, the Department finds that it is not appropriate to rely on the margins examined from the LTFV investigation or the fifth and sixth administrative reviews as the margin likely to prevail because they were calculated using zeroing, and would be *de minimis* if recalculated without the denial of offsets.

As discussed above, the Department finds that the decline in volume over the history of the *Canada ICC Order* is a sufficient basis to conclude that dumping would likely continue or recur if the order is revoked, pursuant to section 752(c)(1) of the Act, as this decline in volume can reasonably be attributed to producers/exporters refraining from above-*de minimis* dumping and, thus, dumping persisted since the imposition of the order. However, the record of the *Canada ICC Order* does not have margins demonstrated to be calculated without zeroing that could serve as information probative of the behavior of producers and exporters of subject merchandise if the order was revoked and, thus, indicate the magnitude of above *de minimis* margins likely to prevail is of unknown. Therefore, consistent with section 752(c) of the Act, the Department will report to the ITC that revocation of the *Canada ICC Order* would be likely lead to continuation or recurrence of dumping and that the magnitude of the margin of dumping likely to prevail would be above *de minimis*.

PRC: As discussed above, import statistics unique to subject merchandise and specific subsets thereof are not presently available for the period between 1984-1999. Nevertheless, in the *First ICC Sunset*, completed in June of 1999 when such data were available, the Department found that the import statistics related to imports of heavy castings provided by the domestic parties demonstrate that imports (on a volume basis) from the PRC increased every year between 1986 and 1989. The import level in 1990 decreased slightly from imports in 1989. After the issuance in January 1991, of the final results of reviews covering May 1, 1987, through April 30, 1988, and May 1, 1988 through April 30, 1989, imports from the PRC declined precipitously. During the periods when imports were increasing, the Department found increasing dumping margins (24.21 percent in 1987, 45.92 percent in 1988, and 92.74 percent in 1989).⁷⁵ In the three prior sunset reviews, the Department has found that, in light of the correlation between the increase in the dumping margin and the decrease in imports over the life of the order, a more recently calculated rate is the most probative of the behavior of PRC producers/exporters of certain iron construction castings than the rate calculated in the original investigation.

During the first sunset review of the *PRC ICC Order*, we determined that the 92.74 percent PRC-wide rate calculated in the 1989-1990 POR (*i.e.*, the period in which imports were increasing subsequent to the *PRC ICC Order*)⁷⁶ was the antidumping duty margin most likely to prevail were the order revoked.⁷⁷ That rate was later amended to 25.52 percent, based on the overall

⁷⁴ *Id.*

⁷⁵ See *First ICC Sunset* 64 FR at 30312. Trade data for imports of manhole assemblies HTSUS 7325.10.0010 (*i.e.*, the largest selling construction castings product and which is available to the year prior to the investigation and submitted to the record in Petitioners' Substantive Responses at Attachment 1 Table 1) corroborates this trend for overall subject merchandise during this 1984-1991 period.

⁷⁶ See *Amended Final Results II*.

⁷⁷ See *First ICC Sunset*, 64 FR at 30312.

average of margins alleged in the LTFV petition, pursuant to the litigation at the Court of International Trade.⁷⁸ This 25.52 percent rate remains the highest PRC-wide rate that was not judicially overruled and has been the margin found likely to prevail were the order revoked in both the second and third sunsets of the *PRC ICC Order*.⁷⁹

After considering the dumping margins determined in the investigation and the subsequent administrative reviews, and given the lack of argument and evidence to the contrary, the Department finds no reason to depart from our determination in prior sunset reviews. Accordingly, the Department finds that it is appropriate to provide the ITC the margin determined in the *Amended Final Results II* for the magnitude of the margins likely to prevail were the *PRC ICC Order* revoked, consistent with the prior two sunset reviews. As this margin is derived from an average of petition margins, we note that it is both probative of the behavior of producers and exporters of subject merchandise from the PRC without the discipline of the order in place and not affected by the denial of offsets for non-dumped sales. Therefore, pursuant to section 752(c)(3) of the Act, the Department will report to the ITC the PRC country-wide rate from the *Amended Final Results II* as indicated in the “Final Results of Reviews” section of this memorandum.

VII. FINAL RESULTS OF REVIEWS

The Department determines that revocation of the antidumping duty orders on certain construction castings from Brazil, Canada, and the PRC would likely to lead to a continuation or recurrence of dumping and that the magnitude of the dumping margins likely to prevail would be weighted-average margins up to 58.74 percent for Brazil, up to 25.52 percent for the PRC, and above *de minimis* for Canada.

VIII. 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 the final results of these reviews in the *Federal Register*.

Agree_____

Disagree_____

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Date

⁷⁸ See *D & L Supply Co. v. United States*, 6F. Supp. 2d 914 (CIT 1998), aff'd *Guangdong Metals & Minerals Import and Export Corporation v. United States*, 217 F.3d 851 (Fed. Cir. 1999) (unpublished opinion).

⁷⁹ See *Second PRC Sunset* and *Third Sunset*.